

DEPOSITIONS OF WHITE HOUSE OFFICIALS

HEARING
BEFORE THE
COMMITTEE ON
BANKING, HOUSING, AND URBAN AFFAIRS
UNITED STATES SENATE
ONE HUNDRED THIRD CONGRESS
SECOND SESSION
VOLUME V

DEPOSITIONS OF WHITE HOUSE OFFICIALS
IN RESPONSE TO S. RES. 229

Printed for the use of the Committee on Banking, Housing, and Urban Affairs



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**DEPOSITION OF W. NEIL EGGLESTON
IN RE: S. RES. 229**

TUESDAY, JULY 19, 1994

**U.S. SENATE,
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
*Washington, DC.***

Deposition of W. NEIL EGGLESTON, called for examination pursuant to notice of deposition, at 2:20 p.m. in Room SC-06 of the Capitol, before MARY C. SIMONS, a Notary Public within and for the District of Columbia, when were present:

APPEARANCES

NEAL E. KRAVITZ, Esq.
Majority Deputy Special Counsel
DOUGLAS EPSTEIN, Esq.
Majority Counsel
J. WILLIAM CODINHA, Esq.
Majority Special Counsel
BETH O'NEILL MALONEY, Esq.
Majority Counsel
JOSEPH G. BRAUNREUTHER, Esq.
Minority Deputy Special Counsel
DOUGLAS R. NAPPI, Esq.
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Committee on Banking, Housing, and Urban Affairs
U.S. Senate
On behalf of the Committee.

WILLIAM J. MURPHY, Esq.
Murphy & Shaffer
Suite 750
100 Light Street
Baltimore, Maryland 21202-1019
On behalf of the Deponent.

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PROCEEDINGS

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Whereupon,

W. NEIL EGGLESTON

was called for examination by counsel for the United States Senate Banking Committee and, having first been duly sworn by the Notary Public, was examined and testified as follows:

MR. KRAVITZ: Mr. Eggleston, again my name is Neal Kravitz, and I'm Deputy Special Counsel to the Senate Banking Committee on the Majority side. Douglas Epstein is here with me this afternoon and, as you know, we are here for a deposition which has been authorized by Senate Resolution 229, which I would like to mark as Exhibit No. 1 to the deposition.

(Eggleston Deposition Exhibit 1
was marked for identification
and submitted for the record.)

MR. KRAVITZ: While that is being marked why don't I ask you have you had an opportunity to look at Senate Resolution 229?

THE WITNESS: Yes.

MR. KRAVITZ: I would note for the record that Mr. Eggleston is here voluntarily and we certainly

1 appreciate that.

2 With regard to Senate Resolution 229, I just want
3 to state more specifically on the record that the
4 deposition, as is our entire investigation at this point, is
5 limited in scope to three specific areas, one being contacts
6 or communications between White House officials and
7 officials of the Treasury Department or the RTC relating to
8 the investigation of Madison and Whitewater, the second area
9 is the Park Police Department's investigation of the death
10 of Vincent Foster, and the third area is the handling of
11 documents that were in Mr. Foster's office at the time of
12 his death.

13 Do you understand that those are the three areas
14 that we're concerned with in this investigation?

15 THE WITNESS: I understand those are the three
16 areas covered by the Resolution.

17 MR. KRAVITZ: Before we start and actually get
18 into the questioning, let me just make a few comments about
19 how the deposition will be conducted.

20 I on behalf of the Majority Senators will ask
21 questions first, and then Mr. Braunreuther will have an
22 opportunity to ask questions on behalf of the Minority

1 Members of the Committee.

2 If at any point, at least when I'm asking you a
3 question, if you don't understand what the question means or
4 you have any question about the question, please ask for
5 clarification before you answer the question. Also we
6 request that you not guess or speculate in providing an
7 answer at least without telling us that that's what you're
8 doing.

9 If at any point during the deposition you think
10 back to an earlier answer you've given and you would like to
11 supplement it or change it in any way, please feel free to
12 do that. Just tell me that that's what you want to do and
13 you can jump back to any previous answer you've given.

14 You're here with counsel today, and ---

15 MR. MURPHY: Yes, I'm William J. Murphy, personal
16 counsel for Mr. Eggleston.

17 MR. KRAVITZ: If at any point during the
18 deposition you would like to confer with Mr. Murphy, just
19 tell us and we can go off the record and you and Mr. Murphy
20 can confer in private.

21 As you can see, the deposition is being recorded
22 by the court reporter and a transcript will be prepared. My

1 understanding is that these transcripts get prepared within
2 a couple of days of the taking of the deposition and you'll
3 have an opportunity to review the transcript and to prepare
4 an errata sheet.

5 My prediction is that you will be asked to
6 testify at the hearings, which are scheduled to start no
7 later than July 29th, and I have no doubt that the
8 transcript will be prepared and available to you before the
9 time that you testify. There may be some restrictions as to
10 where you can review the transcript because of the
11 confidential nature of our investigation, but we'll
12 certainly let you know what the details are when they're
13 figured out.

14 We will plan to take breaks every hour or hour
15 and a half for a couple of minutes, but if you want to take
16 a break at any time, just let me know.

17 Do you have any questions about the procedures
18 before we start?

19 THE WITNESS: I do not.

20 EXAMINATION

21 BY MR. KRAVITZ:

22 Q Did you bring with you a resume or a CV?

1 A I didn't bring anything with me.

2 Q Why don't we just briefly then go through some
3 details about your background. Can you just give us a brief
4 summary of your educational background.

5 A I went to Duke University and graduated in 1975.
6 I went to Northwestern Law School and graduated in 1978. I
7 then clerked on the United States Court of Appeals for the
8 Third Circuit from 1978 to '79 for Judge James Hunter, III.
9 Then from '79 to '80 I clerked for Chief Justice Warren
10 Burger.

11 Q Have you been employed since your clerkship with
12 Justice Burger?

13 A Yes.

14 Q Can you take us chronologically through your
15 various employment.

16 A I worked from the fall of 1980 till June 1 of
17 1981 for a law firm in D.C. that was then called Rogovin,
18 Stern & Hugel. From June 1, 1981 until mid-January of 1987 I
19 was an Assistant United States Attorney for the Southern
20 District of New York. In January of 1987 I was appointed
21 Deputy Chief Counsel of the House Iran Contra Investigative
22 Committee. I did that from January of '87 until early '88.

1 Sometime in late January of 88 or early February of '88 I
2 became a partner at the law firm of Howrey & Simon here in
3 Washington. I remained at Howrey & Simon until September of
4 1993, at which time I was appointed Associate Counsel to the
5 President, and that's my current job.

6 Q What are your duties and responsibilities as
7 Associate Counsel to the President?

8 A I have a variety of different assignments all
9 within the Counsel's Office. I was hired at a time that Mr.
10 Bernard Nussbaum was Counsel, and I now report to Mr.
11 Cutler. I have sort of whatever gets assigned to me, and
12 I've done a variety of different things in the not quite
13 year I've been there.

14 Q Do you report directly to Mr. Cutler?

15 A Yes. There is a Deputy now. There was not a
16 Deputy when I first arrived. Mr. Cutler has been there
17 since March I guess of 1994. Mr. Joel Klein is the Deputy,
18 and he started around the 1st of December of 1993. Before
19 there was a Deputy I reported to Mr. Nussbaum only. The
20 office is structured such that I don't really report now to
21 Mr. Cutler or then to Mr. Nussbaum necessarily through Mr.
22 Klein as they have different matters that they deal with.

1 They sort of divide the work on some matters, and it's a
2 little hard to describe actually.

3 Q When you first joined the White House Counsel's
4 Office were you provided any training in government ethics?

5 A No.

6 Q Do you know whether training in that field is
7 ever given to members of the White House Counsel's Office
8 staff?

9 A You asked when I first arrived. There is an
10 ethics course that is taught, and I can't remember when I
11 took it, but I took the course.

12 Q What does that course involve?

13 A It is actually given by a member of the Counsel's
14 Office, Beth Nolan. It's a variety of sort of different
15 issues that government employees confront, gifts. There is
16 a lot about gifts, whether to accept gifts and under what
17 circumstances and the like.

18 Q Is Beth Nolan a member of the White House
19 Counsel's Office?

20 A Yes, she is. She is an Associate Counsel.

21 Q Has Ms. Nolan been the designated Agency Ethics
22 Officer for the White House the entire time you've worked in

1 the White House?

2 A I don't know that she is that. She is the person
3 or office who spends a lot of her time dealing with ethics
4 issues. The term you just used is kind of a term of art or
5 whatever. I don't know that she's that. She might be and
6 she might not be. It might be that the counsel is sort of
7 officially that person.

8 Q Has Ms. Nolan been the person primarily involved
9 in ethics issues within the White House Counsel's Office
10 throughout the time you've worked there?

11 A Yes.

12 Q How long did the course on government ethics that
13 you took from Ms. Nolan take?

14 A I don't recall.

15 Q Were you the only student in the course at the
16 time?

17 A No. It is not a course for members of the
18 Counsel's Office exclusively. It's for the entire White
19 House. It takes place in an auditorium, and I don't
20 remember how many people were there, a hundred.

21 Q Is it just a one-time lecture?

22 A Yes, and had a film.

1 Q Do you remember whether you were asked to read
2 the Office of Government Ethics Government-Wide Standards of
3 Ethics?

4 A I don't recall.

5 Q Are you familiar with the documents I've just
6 referred to?

7 A Yes.

8 Q Have you ever reviewed those?

9 A Yes.

10 Q Have you reviewed those Government-Wide Standards
11 since the time that you joined the White House Counsel's
12 Office?

13 MR. MURPHY: As opposed to before that time?

14 MR. KRAVITZ: Well let me ask it this way. Have
15 you review them in your capacity as an Associate Counsel to
16 the President?

17 MR. MURPHY: Do you mean has he reviewed them as
18 part of some sort of course of training?

19 BY MR. KRAVITZ:

20 Q Have you review them since the time that you
21 joined the White House Counsel's staff?

22 THE WITNESS: Can I talk to him privately,

1 please?

2 MR. KRAVITZ: Sure.

3 (Witness and his counsel confer.)

4 THE WITNESS: Yes.

5 BY MR. KRAVITZ:

6 Q When was that?

7 A In the last two weeks.

8 Q What was the purpose in your reviewing the
9 Government-Wide Ethics Standards in the last two weeks?

10 A I reviewed then in connection with this
11 investigation and depositions by the Treasury IG. I
12 reviewed it in connection with preparing for sitting here
13 today as well as other places.

14 Q Between the time that you joined the White House
15 Counsel's Office in early 1993 and the past two weeks did
16 you review the OGE Government-Wide Ethics Standards?

17 A I don't recall.

18 (Counsel Nappe joins the deposition at this point
19 in the proceedings.)

20 MR. BRAUNREUTHER: Why don't you introduce
21 yourself.

22 MR. NAPPE: Doug Nappe.

1 MR. BRAUNREUTHER: Doug Nappe is with the staff
2 of the Banking Committee assisting Minority Members.

3 (Introductions made.)

4 BY MR. KRAVITZ:

5 Q Did the training session that you attended that
6 was run by Beth Nolan for you and other members of the White
7 House staff relating to government ethics include any
8 training on the propriety of intergovernmental contacts?

9 A I don't recall.

10 Q When did you first become aware of discussions
11 within the White House relating to the RTC's investigation
12 of Madison Guaranty and/or the Whitewater Development
13 Company?

14 MR. MURPHY: I'm going to object. I didn't
15 understand that to be within the scope of what you're
16 Committee was looking into.

17 MR. BRAUNREUTHER: May I have the question read
18 back.

19 (The pending question was read by the reporter.)

20 MR. BRAUNREUTHER: Would you state the objection
21 in some detail.

22 MR. MURPHY: Well it's my understanding from the

1 Resolution that you're looking at communications between
 2 officials of the White House and the Department of the
 3 Treasury or the RTC and not discussions within the White
 4 House about Madison Guaranty.

5 MR. BRAUNREUTHER: So your objection goes to any
 6 questions regarding discussions within the White House that
 7 did not involve Treasury or RTC officials?

8 MR. MURPHY: Right.

9 MR. BRAUNREUTHER: Well I can give you the
 10 benefit of my view, which is that clearly the scope of our
 11 investigation goes beyond specific contacts between White
 12 House and Treasury. For example, if there were discussions
 13 within the White House in anticipation of those meetings, as
 14 a result of those meetings, or as a consequence of those
 15 meetings, all of that would be probative of the nature and
 16 extent and purpose for contacts between the White House and
 17 Treasury or the RTC.

18 MR. MURPHY: I understand what you're saying, but
 19 I think that the question was a little too open ended and
 20 too broad, and Mr. Eggleston is not in a position to waive
 21 Executive Privilege on behalf of the White House or any
 22 other privileges that might be applicable. It's not his

1 role to do that, and it's my understanding that directions
 2 that we've received from the White House are to be
 3 cooperative with the Committee with respect to the matters
 4 that are within the scope of the Resolution, but that this
 5 is not to be kind of a open-ended inquiry into all
 6 discussions at the White House about Madison Guaranty.

7 MR. KRAVITZ: I think the point is that on behalf
 8 of both the Majority and the Minority it appears that we
 9 both think this is a proper question within the meaning of
 10 the Resolution, and I think we're in the position of
 11 determining relevance at this point.

12 If you want to instruct your client not to answer
 13 the question, you're certainly free to do that on relevance
 14 grounds, but I certainly think that it's an appropriate
 15 question. Any discussions at the White House, as Mr.
 16 Braunreuther said, are relevant, potentially relevant to ---
 17

18 MR. MURPHY: It might or might not be depending
 19 on what they were.

20 MR. KRAVITZ: This is a discovery deposition, and
 21 I think we're certainly entitled to determine what
 22 discussions Mr. Eggleston is aware of. They may or may not

1 be relevant to the purposes and motivations for later
2 contacts.

3 (Witness and his counsel confer.)

4 MR. MURPHY: We will answer this question, but in
5 answering this question we are not, or at least Mr.
6 Eggleston is not intending to waive any Executive Privilege
7 that might otherwise exist.

8 MR. KRAVITZ: Would you read back the question
9 one more time.

10 THE WITNESS: You don't have to. I know what I'm
11 going to say. It's about a contact. I mean the first time
12 I recall hearing anything about this was from Mr. Clifford
13 Sloan, and I don't remember the date.

14 BY MR. KRAVITZ:

15 Q What's the best approximation you can give for
16 the time period?

17 A Sometime before October 14th. Sometime within
18 two weeks or so before October 14th.

19 Q 1993?

20 A Yes. I don't mean to be coy. I've read in the
21 newspapers that there was a meeting on September 29th, or a
22 contact on September 29th. I have no personal knowledge of

1 that date. Assuming that what I heard followed from that, I
2 think it was sometime between the 29th and October 14th, but
3 that's based on a fact I don't actually know to be true.

4 Q Let me move back in time then to September 29th,
5 1993, and just to be clear, it's your testimony then that
6 before September 29, 1993 you were not aware of any
7 discussions within the White House of the RTC's
8 investigation of Madison Guaranty and/or the Whitewater
9 Development Corporation?

10 A Not that I recall, assuming the conversation I'm
11 remembering with Mr. Sloan occurred sometime after the 29th,
12 which is not a fact that I actually have personal knowledge
13 of.

14 Q You testified that you have since read or heard
15 that there was a meeting at the White House on September 29,
16 1993.

17 MR. MURPHY: He said a meeting or a contact.

18 THE WITNESS: A meeting or a contact, yes.

19 BY MR. KRAVITZ:

20 Q Did you attend or have any contact with officials
21 from outside the White House on September 29, 1993 relating
22 to the RTC's investigation of Madison?

1 A I do not believe that I did.

2 Q Did you attend a briefing that day, September 29,
3 1993, provided by Treasury Department officials regarding
4 the Waco situation?

5 A I did not.

6 Q Who is Clifford Sloan?

7 A Clifford Sloan is an Associate Counsel to the
8 President.

9 Q What information did Mr. Sloan provide to you?

10 A I do not really remember very clearly what Mr.
11 Sloan told me. It was something about a conversation that
12 he had had with Ms. Hanson, who I understood to be the
13 General Counsel of the Treasury Department.

14 Q Was your conversation with Mr. Sloan face to face
15 or on the telephone?

16 A I don't recall.

17 Q What was your understanding as to why Mr. Sloan
18 had this contact with you?

19 A My recollection of what he said was that, and I
20 just don't remember this very clearly, so I can only tell
21 you what I remember, which isn't very much. My recollection
22 is that somehow in this meeting Ms. Hanson had said to Mr.

1 Nussbaum that Mr. Altman had sent Mr. Nussbaum something,
2 and Mr. Sloan was supposed to follow up with Ms. Hanson on
3 what it was because Mr. Nussbaum hadn't recalled receiving
4 it.

5 Q Did Mr. Sloan tell you what it was that Ms.
6 Hanson had sent to Mr. Nussbaum?

7 A Eventually, not in that conversation. The
8 conversation I'm relating to you, Mr. Sloan didn't know what
9 it was that Mr. Altman had sent to Mr. Nussbaum.
10 Subsequently Mr. Sloan told me that he had spoken to Ms.
11 Hanson and learned what it was.

12 Q Did Mr. Sloan indicate to you whether he had been
13 present on September 29th during a meeting between Ms.
14 Hanson and Mr. Nussbaum?

15 A Did he indicate that to me at that time?

16 Q Right.

17 A Not that I recall.

18 Q Has Mr. Sloan indicated to you since that time
19 that he was present during a September 29, 1993 meeting
20 between Ms. Hanson and Mr. Nussbaum?

21 A Yes.

22 Q What has Mr. Sloan told you about the September

21

1 29, 1993 he attended along with Mr. Nussbaum and Ms. Hanson?

2 A He has told me that there was a meeting, and I'm
3 using the 29th because it has been what's in the newspaper.
4 I don't mean to over-estate that, but that's not a date
5 that I know. He has since that time told me that there was
6 a meeting on Waco. The Treasury Department had come over to
7 brief the White House on the Waco Report, which I think was
8 coming out the next day, which would be a fairly routine
9 thing to have happen. Then at the end of that meeting Ms.
10 Hanson had some conversation with Mr. Nussbaum and Mr.
11 Sloan. It had something to do with the criminal referral,
12 and that's about all I know.

13 Q That's all that Mr. Sloan has ever told you about
14 the meeting that he attended between Ms. Hanson and Mr.
15 Nussbaum?

16 A That's all I can remember.

17 Q How many times have you talked to Mr. Sloan about
18 the September 29 meeting?

19 A I don't know.

20 Q Do you know whether Mr. Sloan and Mr. Nussbaum
21 ever contacted Bruce Lindsey and relayed information that
22 had been provided by Ms. Hanson during the September 29,

22

1 1993 meeting?

2 A I may have heard that.

3 Q You've heard that?

4 A Yes.

5 Q From who?

6 A I don't know.

7 MR. MURPHY: Rush Limbaugh.

8 THE WITNESS: Rush Limbaugh. I don't know. I've
9 heard that. I don't recall who I heard that from.

10 BY MR. KRAVITZ:

11 Q You testified earlier that although not in this
12 first conversation with Mr. Sloan but sometime later you
13 learned what it was that Ms. Hanson had sent over to Mr.
14 Nussbaum. Can you tell us about that?

15 A Well I don't remember much more than that. Mr.
16 Sloan was going to call Ms. Hanson as a follow-up to
17 whatever meeting this was. He wanted me to be on the phone
18 with him when he made the call. He told me he wanted me to
19 be on the phone with him. I remember trying to place a
20 phone call to Ms. Hanson, and I have no recollection of
21 getting through to her, and then I remember some time later
22 Mr. Sloan telling me that what Mr. Altman had sent to Mr.

1 Nussbaum was a newspaper article that had appeared in March
2 of 1992.

3 Q Was it Mr. Altman or Ms. Hanson who had sent the
4 newspaper article?

5 A I don't know who had sent it. My recollection of
6 what I was told was that it was a newspaper article that Mr.
7 Altman had sent to Mr. Nussbaum. I don't have any knowledge
8 of what was sent or who did the sending. This is what I was
9 told.

10 Q Did you ever have any conversations with, did you
11 personally ever have any conversations with Jean Hanson
12 between the time that Mr. Sloan first contacted you about
13 this issue and October 14th, 1993?

14 A I don't remember having any with her. I remember
15 having a conversation with her on October 14th, or being in
16 a meeting with her on the 14th. I don't remember talking to
17 her on the 29th.

18 Q Did you have any conversations during this time
19 period that I've just referred to with Ms. Hanson and Mr.
20 Sloan relating to press inquiries regarding Madison?

21 A I do not recall.

22 MR. KRAVITZ: I'm going to show you what has been

1 marked as Exhibits X000879 through X000888. Just for your
2 information these are Bate Stamp numbers that the White
3 House has put on these documents. Because of the agreements
4 regarding confidentiality, we're not allowed to put exhibit
5 stickers on them and mark them as deposition exhibits. We
6 just have to identify them by the Bate Stamp number. So if
7 this isn't what you're used to, this is the reason for it.

8 I would like you to take a look at, and certainly
9 you're free to look at the whole document if you would like,
10 but I would like to direct your attention to page X880 down
11 toward the bottom and tell if that refreshes your
12 recollection as to whether you spoke with Jean Hanson
13 between September 29 and October 14, 1993 regarding the
14 press inquiries relating to Madison.

15 (Witness reviews document.)

16 THE WITNESS: It does not refresh my
17 recollection. I don't know whose document this is. There
18 is a fair amount in this document that is not accurate. So
19 it doesn't surprise me that that's not accurate.

20 BY MR. KRAVITZ:

21 Q Do you know what this is?

22 A I never saw that before.

1 . Q The RTC Tick Tock is not a term you're familiar
2 with?

3 A No. I have no idea whose document that is. I
4 don't know. But to answer your question, that does not
5 refresh my recollection about whether I was on phone calls
6 with her. I have no recollection of being on phone calls
7 with her.

8 (Witness and his counsel confer.)

9 THE WITNESS: Could I have that back?

10 MR. KRAVITZ: Sure.

11 THE WITNESS: I guess since there is a document
12 that suggests that's true, I just want to point out that
13 sort of the first paragraph under Nussbaum - Meetings Tick
14 Tock is completely wrong. I mean there is not a meeting on
15 September 29th involving Bernie Nussbaum, Eggleston, Sloan,
16 Hanson, Steiner ---

17 MR. KRAVITZ: Why don't you read that into the
18 record just so it's clear what you're saying is wrong.

19 THE WITNESS: One of the reasons it's probably
20 not refreshing me is the other parts of this memo I know to
21 be absolutely inaccurate.

22 MR. MURPHY: On page X880 Mr. Eggleston is

1 referring to the paragraph that begins: "On September 29th,
2 1993 there was a briefing in the office of Bernard
3 Nussbaum," and the paragraph goes on to identify the
4 participants as including Nussbaum, Eggleston, Sloan,
5 Hanson, Steiner, Noble and DeVore, and that it was a
6 briefing about the Treasury Department report on Waco, and
7 it was to be released the following day. What he's saying
8 is that he was not at such a meeting and, to his knowledge,
9 those persons were not.

10 THE WITNESS: Well I don't know who else was at
11 the meeting, but I know I wasn't at that meeting, and I
12 don't know why I'm thrown in, and maybe I was thrown in
13 later, but I was not at that meeting.

14 BY MR. KRAVITZ:

15 Q You've testified that you don't have any
16 recollection of speaking, personally speaking directly with
17 Ms. Hanson during the time period of September 29 to October
18 14, 1993 relating to press inquiries.

19 Did Mr. Sloan ever tell you during that time
20 period that he had spoken with Ms. Hanson about press
21 inquiries relating to Madison Guaranty and Whitewater?

22 A Well I'm stumbling over about press inquiries. I

1 mean he told me that had had this conversation with her
 2 where she had related to him what Altman had sent to
 3 Nussbaum was his newspaper clippings. So I guess in that
 4 sense, yes. I recall having other conversations with Mr.
 5 Sloan about this issue generally, but I don't recall very
 6 specifically. I don't remember that it was about press
 7 inquiries.

8 Q Can you tell us everything that you do remember
 9 about these conversations you had with Mr. Sloan.

10 A Yes. I remember sort of more what we did as a
 11 result of them than I remember the conversations themselves.

12 Q What did you do as a result of them?

13 A Well Mr. Sloan and I, I recall discussing with
 14 Mr. Sloan in this time period the issue of whether it was
 15 appropriate for the White House to have whatever information
 16 it had, and I'm sorry, but I just don't remember what that
 17 is.

18 Q What information, to have what information you
 19 had about what?

20 A About a criminal referral or press inquiries
 21 about a criminal referral or whatever. I don't remember
 22 today precisely what it was that we were looking into then,

1 but I remember what we did about it, which is we talked
 2 about whether it was appropriate to have the information.
 3 We agreed that we should do some, that we were lawyers and
 4 we should do some legal research about it. My general
 5 recollection is that I took the statutes and he took the
 6 regs.

7 Q Which statutes and regs are you referring to?

8 A I looked at FIRREA and particularly the provision
 9 related to the RTC. I think he was going to look at the RTC
 10 regs or banking regs. What we were both looking for is
 11 whether there was like in the IRS Code or something that
 12 said that we weren't supposed to have certain kind of
 13 information. We both did that, and I didn't find anything
 14 and he didn't find anything.

15 Q Did you draw a conclusion as to the propriety of
 16 the White House having this information based on your
 17 research?

18 A I concluded that there was nothing that either
 19 one of us had found that said that we were not entitled to
 20 have it.

21 Q Did you report to anyone at the White House the
 22 fact that you and Mr. Sloan, or possibly only Mr. Sloan, had

1 had contacts with Ms. Hanson between the time of September
2 29 and October 14, 1993?

3 A I don't recall.

4 Q Do you have any recollection of speaking with
5 Bruce Lindsey about contacts that you and Mr. Sloan had with
6 Jean Hanson in that time period?

7 A I don't.

8 Q I'm going to show you what has been marked as
9 X000911, which is an October 7, 1993 memorandum from Bruce
10 Lindsey from Cliff Sloan. I'll ask you to take a look at
11 that and tell us whether it refreshes your memory as to
12 whether you spoke with Mr. Lindsey during that time period
13 about contacts with Ms. Hanson.

14 (Witness reviews document.)

15 A It does not.

16 Q The document obviously speaks for itself, but I
17 think we can agree that the document does not specifically
18 refer to Ms. Hanson.

19 MR. MURPHY: Or anything else.

20 THE WITNESS: Or anything else.

21 BY MR. KRAVITZ:

22 Q Are there any other subjects that you know you

1 spoke with Mr. Lindsey about during that time period?

2 A No. This does not refresh my recollection, and I
3 don't remember talking to Mr. Lindsey. I might have, but I
4 don't remember.

5 Q I'm going to show you documents X000884 through
6 X0000887, four pages of handwritten notes, and ask you to
7 take a look at those and first tell us do you recognize
8 whose notes those are?

9 A Based on the handwriting?

10 Q Right.

11 A I don't recognize the handwriting.

12 MR. KRAVITZ: Why don't you take a few minutes
13 and read those four pages and tell us first if you can
14 recognize whose notes they are.

15 (Witness reviews documents.)

16 THE WITNESS: I've read them.

17 BY MR. KRAVITZ:

18 Q Does looking at these four pages of notes help
19 you identify who wrote them?

20 A I don't have any idea who wrote them.

21 Q Specifically does looking at page X887 help you
22 remember the content of the telephone calls between either

1 you and/or Mr. Sloan and Ms. Hanson?

2 A Mr. Kravitz, I've thought about this before
3 today, and I've told you what I remember about this. I have
4 no recollection of any of those calls, and it doesn't
5 refresh my recollection.

6 Q Did you attend a meeting at the White House on
7 October 14th, 1993 that included White House officials and
8 Treasury Department officials?

9 A That I remember, and I did attend.

10 Q Other than these telephone calls with Ms. Hanson
11 that you may or may not have been a part of, did you have
12 any contacts with any officials from the Treasury Department
13 before October 14th, 1993 relating to Madison Guaranty
14 and/or the Whitewater Development Company?

15 A I did not.

16 Q Where was the meeting that you attended on
17 October 14, 1993?

18 A Mr. Nussbaum's office.

19 Q Who else was present during that meeting?

20 A From the Treasury Department Jack DeVore, Josh
21 Steiner and Jean Hanson. I think that was it for Treasury.
22 From the White House it was Mr. Nussbaum, Mr. Sloan, myself,

1 Mr. Lindsey and Mr. Gearan. I think that's everybody who
2 was there.

3 Q Was Ms. Williams present at that meeting?

4 A Not that I recall. I shouldn't answer it that
5 way. I do not believe she was at that meeting.

6 Q What were you told about the meeting before it
7 occurred?

8 A I don't remember.

9 Q Do you know why you were there?

10 A Today I do not remember what I was told as the
11 setup to the meeting.

12 Q Do you remember what time of day the meeting took
13 place?

14 A No.

15 Q Do you remember how long it lasted?

16 A I would say it lasted an hour, but more than 15
17 minutes. It was a meeting at which discussion occurred. It
18 was between 15 minutes and an hour. I'm basing that sort of
19 on a lot of people in the room.

20 Q Did you take notes at this meeting?

21 A I did not.

22 Q Do you know if anyone took notes at the meeting?

33

1 A Actually took notes at the meeting, no, I do not.

2 Q You don't know?

3 A I don't know. Someone could, but I don't know.
4 I don't remember anybody taking notes.

5 Q To the best of your recollection, what was said
6 by whom at the October 14th, 1993 meeting at the White
7 House?

8 A I remember that Jack DeVore did most of the
9 talking, as I recall. I think that Mr. DeVore said that he
10 had received, and this is my recollection of what happened,
11 that Mr. DeVore said that he had received some contact,
12 telephone call or calls from Jack Gerth, who was a reporter
13 for the New York Times. Mr. Gerth had the faces of four
14 checks that Mr. Gerth thought had gone from Madison into the
15 Clinton Governor campaign. The specific reason I remember
16 Ms. Nolan saying for Mr. Gerth to call Mr. DeVore is that
17 Mr. Gerth wanted the backs of the checks.

18 I mean what this meeting was about was DeVore
19 essentially relaying to us this press contact that he had
20 gotten from Mr. Gerth, but I remember that specific issue
21 was the issue I think that Mr. DeVore had gotten that
22 telephone call from Mr. Gerth the day before or two days

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1 before, fairly recently before the meeting.

2 Q Was it your understanding that Mr. DeVore had
3 called this meeting?

4 A Yes. Well I should be more careful. My
5 impression was that he had called the meeting. It was his
6 meeting. It was in Mr. Nussbaum's office, but it was Mr.
7 DeVore's meeting, and we were all waiting to hear what he
8 wanted to talk to us about.

9 Q And no one specifically told you that Mr. DeVore
10 had called the meeting?

11 A Not that I recall.

12 Q Did Mr. DeVore seek advice from others present at
13 the meeting as to how to handle this press inquiry?

14 A Yes, but not the one I just described. I mean
15 there was more sort of discussion at the meeting about other
16 things Gerth said. I don't think anybody thought he was
17 going to get this guy the back of the checks. Nobody could
18 figure out in what lawful fashion Gerth had gotten the front
19 of the checks.

20 Q What else did Mr. DeVore discuss?

21 A Another issue that Gerth had apparently raised
22 or, as I recall, Gerth had raised was an issue of whether

1 the referral had been handled in the ordinary course of
 2 business or whether it had been handled in some unusual
 3 fashion. I don't remember today which would have been usual
 4 and which would have been unusual, nor do I know which way
 5 Gerth thought it went, but the referral, as I remember,
 6 either went from the Kansas City office directly to Little
 7 Rock and it was supposed to go through Washington or it was
 8 supposed to go, and this is according to Gerth, I don't know
 9 what the facts were, but somehow Gerth said this referral
 10 was not treated in the ordinary course, that it should have
 11 gone some other way, and Gerth wanted confirmation about how
 12 it had gone and whether that was usual or unusual. That's
 13 all I really remember about that issue. I remember that was
 14 one of the issues that was discussed.

15 Q Is that one of the issues that Mr. DeVore sought
 16 advise on how to respond?

17 A The only actual issue that I think that he sought
 18 advice on was the issue of whether he should confirm that
 19 there had been a referral.

20 Q And what did other people at the meeting say
 21 about that?

22 A I don't exactly remember. I have a general sense

1 that people thought that he should not be confirming a
 2 referral. It was a criminal referral and unless that was
 3 what they ordinarily did he shouldn't be confirming a
 4 referral, but nobody knew what the practice was.

5 Q Was there anyone from the RTC present at the
 6 meeting?

7 A I can only tell you the names of the people who
 8 were at the meeting. I don't know what their titles were.

9 Q Do you know where Mr. DeVore worked?

10 A Well I can only tell you where I thought he
 11 worked. I had never met any of those people before. I
 12 think Mr. DeVore worked at the Treasury Department.

13 Q As the Assistant Secretary of Treasury for Public
 14 Affairs?

15 A I didn't know the title.

16 Q You knew that Ms. Hanson worked at the Treasury
 17 Department?

18 A Yes. I knew she was General Counsel of the
 19 Treasury Department.

20 Q Did you know that Mr. Steiner worked at the
 21 Treasury Department?

22 A I did not know he was Chief of Staff at the

1 Treasury Department at the time. I don't remember.

2 Q Well did you know that Mr. Steiner worked at
3 Treasury as opposed to working at the RTC?

4 A At the time I don't know that I knew that. I
5 thought I was meeting with Treasury officials. I don't want
6 to be unclear about this. I don't think Mr. Steiner's name
7 would have meant anything to me. I'm sure it wouldn't have
8 met anything to me. I don't know whether he was introduced
9 to me as Josh Steiner, or this is Josh Steiner from
10 Treasury, or this is Josh Steiner, Bentsen's Chief of Staff.
11 I don't remember whether a label came with his name.

12 Q Was there general discussion during this meeting
13 on October 14th about the fact that you didn't know what the
14 RTC's general practice was in this regard about confirming
15 or not confirming criminal referrals?

16 A I don't remember.

17 Q You testified earlier that none of us knew what
18 the RTC's general practice was.

19 A Right. Well I have a recollection of there being
20 some discussion of don't do it unless you usually do it, but
21 I don't really remember then the follow-on discussion of
22 whether they usually did it or usually didn't do it. I just

1 don't remember that part of it.

2 Q Did anyone suggest that someone over at the RTC,
3 for example, the Communications Director at the RTC be
4 contacted to provide the answer to that question?

5 A Not that I recall.

6 Q Did you think it was odd of unusual or surprising
7 in any way that you were meeting only with Treasury
8 Department officials relating to an RTC matter and not with
9 RTC officials?

10 A I regarded myself as meeting with press officials
11 about a press matter, and Mr. DeVore had gotten a press
12 call. This was a press meeting. I was not meeting about an
13 RTC matter. I was meeting about a press call that Mr.
14 DeVore had gotten. So I was not surprised at all because
15 he's the guy that got the call.

16 Q You were not all surprised that the press person
17 from the RTC was not invited to the meeting?

18 A No. It was Mr. DeVore's meeting. Mr. DeVore had
19 gotten a call, and Mr. DeVore called us to ask about how Mr.
20 DeVore should respond to it. That's who was at the meeting
21 and that's what the meeting was about, and I would have been
22 a bit surprised that someone from the RTC wasn't there.

1 Q During the October 14, 1993 meeting did Mr.
2 DeVore or anyone else from the Treasury Department who was
3 present provide any factual details relating to the RTC's
4 investigation of Madison?

5 A I don't recall. I mean I think there was more
6 discussion about Gerth, and Sue Schmidt it seems to me from
7 the Washington Post was on the scene. It's possible that
8 Bruce Lindsey had already gotten contacted and he was thrown
9 in what she was saying about it. I mean this meeting went
10 on for a while, but I can't today tell you the details of
11 what people said other than what I've related.

12 Q You've already testified as to certain details of
13 the criminal referral that Mr. Gerth had asked Mr. DeVore
14 about, correct?

15 A Yes.

16 MR. MURPHY: To clarify that, he testified about
17 what Gerth said a criminal referral was about.

18 MR. KRAVITZ: Right. I don't mean to misstate
19 the testimony, and if I did I apologize.

20 MR. MURPHY: I just want it to be clear what Mr.
21 Eggleston had said.

22 MR. KRAVITZ: I appreciate that.

1 BY MR. KRAVITZ:

2 Q Did Mr. DeVore or any other Treasury Department
3 officials provide any factual details about the RTC's
4 Madison investigation other than details that had been
5 provided by reporters to Mr. DeVore?

6 A I don't recall.

7 Q What was the conclusion as to how Mr. DeVore
8 should respond to Mr. Gerth's inquiry?

9 A I don't remember.

10 (Witness and his counsel confer.)

11 I remember something else that was either in my
12 head or I said at this meeting, which is I was aware that
13 the White House several months earlier in connection with a
14 travel office matter had been criticized for confirming the
15 existence of an FBI investigation into the travel office
16 employees, and I think I said, or if I didn't I at least was
17 thinking to myself that this seemed like a reasonable
18 parallel in that one of the lessons the White House should
19 have learned out of that was you don't go around confirming,
20 that the government shouldn't go around confirming
21 investigations, criminal investigations because it's an
22 invasion of privacy of people. So I think that I said that

1 at the meeting.

2 Q What was the response, if you remember?

3 A I don't remember.

4 Q I'm going to show you what has been marked as
5 X000534 and 535 and first ask you whether you've ever seen
6 this document before?

7 A Yes.

8 Q When did you first see that document?

9 A Well I saw it last Friday.

10 Q In what context?

11 A I was deposed by the Treasury Inspector General.

12 Q Was that the first time you had ever seen this
13 document?

14 A I may have seen it earlier, but it's the first
15 time I really read it. I mean I think I knew it existed
16 before last Friday, but before last Friday I think I never
17 read it. Knowing that I would be asked all about this
18 meeting I wanted to have my independent recollection of the
19 meeting and not the recollection that somebody else might
20 have had.

21 Q For the record what is Exhibit X534 and 535?

22 A It says it's a personal and confidential

1 memorandum from Bruce R. Lindsey to the file dated October
2 20, 1993 re Whitewater Development Corporation.

3 Q If you would just read that memo to yourself, the
4 second page specifically, to see if that refreshes your
5 recollection as to what determination was made as to how Mr.
6 DeVore should respond to Mr. Gerth's press inquiry.

7 (Witness reviews document.)

8 A I mean I'm not disagreeing with this. This could
9 be an accurate description of what happened at the meeting,
10 but I don't remember this level of detail. I just don't.
11 But I want to be clear that this could easily have taken
12 place at the meeting, but I do not remember this level of
13 detail.

14 Q So document 534 and 535 does not refresh your
15 memory as to the ultimate conclusion or answer to Mr.
16 DeVore's question?

17 A It does not refresh my recollection about what
18 transpired at the meeting.

19 Q Is there any conversation that went on at the
20 meeting on October 14, 1993 that you can recall that you
21 haven't told us about?

22 A Not as I'm sitting here at this minute.

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1 Q Do you have any recollection of Mr. Nussbaum
2 stating an opinion as to how this should be dealt with?

3 A I don't. I don't remember what, if anything,
4 Mr. Nussbaum said.

5 Q What about Mr. Sloan, do you have any
6 recollection of Mr. Sloan saying anything at this meeting?

7 A I don't remember him saying anything at the
8 meeting, which is not to say that I remember he didn't say
9 anything. I do not remember what he said.

10 Q What about Mr. Gearan, do you have any
11 recollection of what Mr. Gearan said at this October 14th
12 meeting?

13 A Other than Mr. DeVore, I can't particularly parse
14 out what individuals said at the meeting. I mean I have a
15 recollection that Mr. Gearan spoke, but I don't remember
16 what he said.

17 Q What's your understanding as to why Jean Hanson
18 was present at the October 14th meeting?

19 A I don't know.

20 Q Have you ever thought about that?

21 A I think she was there because Mr. DeVore invited
22 here, but other than that I don't know why she was there.

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1 Q You testified earlier that at some point between
2 September 29 and October 14, 1993 you and Mr. Sloan
3 considered whether there was anything inappropriate with
4 your having certain information that you had. Did you or,
5 to your knowledge, anyone else in the White House consider
6 the appropriateness of having the meeting on October 14th,
7 1993 at the time that the meeting was place?

8 A I did not, and I don't know whether anyone else
9 did either on our side or on the Treasury's side.

10 Q To your knowledge, it was never raised as an
11 issue before the October 14th, 1993 meeting, the ethical
12 appropriateness of it?

13 A To my knowledge, it was not, but it could easily
14 have been raised without me having any knowledge of it.

15 Q Were you given any assignments or told to do
16 anything as a result of the October 14, 1993 meeting?

17 A No.

18 Q To your knowledge, was anyone else on the White
19 House staff instructed to take any action?

20 A No, not to my knowledge.

21 Q To your knowledge, was any information about the
22 October 14th, 1993 meeting passed along by anyone who was at

1 the meeting to any other officials at the White House?

2 A Let me think who was there.

3 Q You told me that the people who were there from
4 the White House were you, Mr. Nussbaum, Mr. Sloan, Mr.
5 Lindsey and Mr. Gearan.

6 A I don't know. My problem is within two weeks
7 after that, and you've asked me sort of an open-ended
8 question, but two weeks later Sue Schmidt's article comes
9 out which basically said everything that was said at that
10 meeting, and that obviously prompted lots of discussion. So
11 I'm a little reluctant to say no because the articles that
12 Gerth and she had been asking about starting on October 30th
13 they all got published. So everything we've been talking
14 about then is in the press and obviously became a fairly hot
15 item of discussion. So I'm reluctant to say no because,
16 yes, I mean a lot ends up getting talked about. This was
17 not a great event.

18 Q Is it accurate to say that you have no
19 recollection of further discussions within the White House
20 relating to the information discussed on October 14th until
21 the time that that information came out in the press a few
22 weeks later?

1 A I don't, but others may have.

2 Q I'm just asking you about your knowledge.

3 A Not that I know of, not that I recall.

4 Q You have no information that Mr. Lindsey passed
5 on anything discussed at the October 14th meeting to the
6 President?

7 A I don't. Mr. Lindsey would not tell me about his
8 conversations. I report to him. He doesn't report to me.

9 Q What happened when this information you've been
10 discussing came out in the press a few weeks later, what
11 happened at the White House?

12 MR. MURPHY: I can understand I guess how it's
13 within sort of the broadly defined scope of this Resolution,
14 but this ---

15 MR. KRAVITZ: Mr. Eggleston is the one who
16 brought this up.

17 THE WITNESS: Well but I brought it up because
18 you asked me a question that was open ended enough that I
19 wanted to give you an accurate answer.

20

21

22

1 BY MR. KRAVITZ:

2 Q Well what was the reaction, as far as you were
3 aware, at the White House to the press reports that you've
4 been referring to?

5 (Witness and his counsel confer.)

6 A Well I mean no one was pleased. There is a press
7 report that the President's campaign is involved in a
8 criminal referral.

9 Q Were there further meetings at the White House
10 that you were a part of following the publication of these
11 press reports?

12 A Yes.

13 Q Can you tell us about those?

14 A I think I'm not going to tell you about those.

15 MR. MURPHY: I think you now are invading areas
16 beyond the scope of the Resolution pretty clearly.

17 MR. BRAUNREUTHER: Can you expand upon that so we
18 understand what the nature of the objection is.

19 MR. MURPHY: Well the problem is that Mr.
20 Eggleston is not in a position as an Associate White House
21 Counsel to decide the scope of Executive Privilege, and the
22 White House has directed that he should be cooperative with

1 the Committee to the extent that the Committee is asking
2 questions within the scope of Section 1 of this Resolution.

3 You are now in an area that's not within the
4 scope of Section 1 of this Resolution, as I understand it,
5 and I'm not in a position to advise Mr. Eggleston about the
6 White House's wishes with respect to Executive Privilege,
7 and Mr. Eggleston is not in a position to assert or waive
8 that privilege either. So you're just in an area that I
9 think is beyond our ability to predict what the White
10 House's wishes are.

11 MR. BRAUNREUTHER: What is the basis for why you
12 say this is an Executive Privilege? I mean we obviously
13 don't know what level of discussions he's talking about. I
14 don't know that this involves advice to the President.

15 THE WITNESS: The law is pretty clear that
16 Executive Privilege includes discussions among White House
17 staff. It doesn't just involve conversations with the
18 President.

19 MR. BRAUNREUTHER: That's why I would like to
20 know. Maybe so we can understand this going forward you can
21 state the types of matters that you're going to object to in
22 terms of discussion. I assume that you will state an

1 objection as to discussions between the staff with respect
2 to this matter.

3 MR. MURPHY: If the discussions between the staff
4 relate to communications between the White House and the
5 Department of the Treasury or the Resolution Trust
6 Corporation with respect to Whitewater or Madison Guaranty I
7 think that you are entitled to ask about that. If it's just
8 a general White House internal discussion about press
9 matters with respect to Whitewater and Madison Guaranty or
10 issues raised on the floor of the House about Whitewater or
11 Madison Guaranty, I don't think that's within the scope of
12 the Resolution.

13 MR. BRAUNREUTHER: Here's my problem. I mean it
14 would seem to me that if there were discussions within the
15 White House staff regarding some of the concerns that are
16 raised in these communications with the Treasury and that
17 those discussions reflect the concerns at that point in time
18 or ultimately the action on behalf of the staff or the
19 formation of a team, for example, on how to manage this
20 entire issue, those types of things obviously are within the
21 scope of the Resolution.

22 My statements don't intend to be exhaustive, and

1 it's really an invitation for you to state on the record as
2 clearly as you can what areas you are prepared to testify
3 about what and areas you're not prepared to testify about in
4 a descriptive manner as opposed to the specifics.

5 MR. MURPHY: I thought I just did that.

6 MR. BRAUNREUTHER: I think what you said, and we
7 can go back to the record, but what I got out of your
8 objection was that you don't want to just disclose every
9 time there was internal discussion.

10 MR. MURPHY: That has nothing to do with
11 communications between officials of the White House and the
12 Department of the Treasury or the Resolution Trust
13 Corporation.

14 MR. KRAVITZ: Well except you're reading the
15 Resolution very narrowly.

16 MR. MURPHY: I'm just reading the words as
17 they're written.

18 MR. KRAVITZ: But I don't think it's your
19 position, or I hope it's not your position that our
20 questions are limited specifically to contacts between White
21 House and Treasury officials. It's certain our position
22 that the questions that we've been asking and the

1 information we're not seeking to go into is related to White
2 House/Treasury contacts.

3 MR. MURPHY: As I understand your question, Mr.
4 Kravitz, you're now asking him about what discussions were
5 there within the White House about an article that appeared
6 in the New York Times and an article that appeared in the
7 Washington Post, which really have nothing to do with the
8 contacts between the White House and the Treasury
9 Department. I don't think the articles are about that. The
10 articles are about a criminal referral from the RTC to
11 whoever they refer it to.

12 MR. KRAVITZ: Which we already know from the
13 testimony was the subject of earlier meetings, or at least
14 one earlier meeting between White House officials and
15 Treasury officials that certainly could be relevant to the
16 White House position and actions that the White House took
17 later with regard to further contacts.

18 MR. MURPHY: But that's not what you're asking
19 him about.

20 Let me talk with my client for a moment.

21 (Witness and his counsel confer.)

22 We'll take it on a question-by-question basis.

1 but your last question, as I understood it, and maybe you
2 can rephrase it to make it clearer to me, but your last
3 question, as I understood it, had to do with discussions
4 within the White House about articles that appeared in the
5 newspapers, and I don't think that's within the scope of
6 this Resolution.

7 MR. KRAVITZ: Are you instructing your client not
8 to answer that question?

9 MR. MURPHY: I'm going to instruct him that it's
10 my advice that given his role and given what we know about
11 the White House's position on these matters that he's not in
12 a position to waive Executive Privilege, and I would caution
13 him not to do so.

14 MR. KRAVITZ: I guess then I'll ask Mr. Eggleston
15 is he's going to answer the question?

16 MR. MURPHY: He's going to follow my advice or
17 otherwise he's going to have to find a new lawyer.

18 THE WITNESS: I'm going to follow my counsel's
19 advice.

20 MR. BRAUNREUTHER: I'm not sure I understood the
21 advice. The advice was, as you stated it, don't waive the
22 Executive Privilege. I would like to know as to this

1 question whether you're instructing him not to answer on
2 that basis?

3 MR. MURPHY: That's right.

4 THE WITNESS: If you're asking me what
5 conversations that occurred in the White House about a
6 newspaper article, then I'm not answering that question. If
7 you ask me any question about conversations in the White
8 House about contacts, among the White House staff about
9 contacts or related to the contacts, I'll answer all of
10 them, and I'm happy to and I'm anxious to and I want to
11 cooperate.

12 MR. BRAUNREUTHER: We will accept the suggestion
13 of your counsel. We don't know the answer to the questions,
14 and we don't know the foundation as we sit here to the basis
15 for the invocation of the Privilege. We will accept the
16 suggestion of counsel that he will object on a question-by-
17 question basis, and we'll understand that based on an
18 objection as to that question you're instructing your client
19 not to answer that question.

20 Frankly we're not in a position right now to
21 fully evaluate whether there is a valid basis for evoking
22 the Privilege to these questions. So if you state the

1 objection, we'll move on to the next question.

2 MR. MURPHY: So stated. Let's move along.

3 BY MR. KRAVITZ:

4 Q Let me move backwards for just one minute. Going
5 back to the October 14th, 1993 meeting you testified about,
6 do you recall whether Ms. Hanson said anything at the
7 meeting?

8 A I don't know.

9 Q Do you have any recollection of Ms. Hanson
10 passing along information during the October 14th meeting?

11 A No, nor do I know exactly what that means.

12 Q I don't either. That's why I'm asking you about
13 it.

14 A No, I don't. I think I remember that she said
15 something, but I don't remember what it was.

16 MR. BRAUNREUTHER: Can I add one addition to the
17 proposed procedure. Perhaps some questions, in your view,
18 would require an answer which would waive the Executive
19 Privilege or invoke the problem that you've identified. To
20 the extent that the question does not, could you give us a
21 partial answer?

22 THE WITNESS: Sure.

1 MR. MURPHY: We'll take it on a question-by-
2 question basis and we'll be as cooperative as we can.

3 BY MR. KRAVITZ:

4 Q To your knowledge, did White House officials have
5 an involvement in the enactment, and when I say involvement
6 in the enactment I don't mean voting involvement, but were
7 White House officials involved on the RTC Completion Act,
8 which was enacted in December of 1993?

9 A White House officials?

10 Q Do you know if anyone at the White House
11 Counsel's Office, for example, was involved in working with
12 Senate or House staffers?

13 A Not that I know of.

14 Q Anyone else at the White House?

15 A Not that I know of.

16 (Witness and his counsel confer.)

17 Well the President signed it. I mean somebody
18 probably did a signing memo to him saying this is the
19 document you ought to sign. So, I'm sorry, I guess you're
20 right. The answer is sure, somebody did because somebody
21 had to tell him to sign the thing.

22 Q But you're not aware of who that was or what the

1 involvement was?

2 A No.

3 Q After the Gerth and Sue Schmidt articles came
4 out, was that in October of '93?

5 A My recollection is that the Sue Schmidt article
6 was the first one to appear and that it was October 30th.
7 That's my recollection.

8 Q Are you aware of any conversations that occurred
9 at the White House following the publication of those
10 articles that related to any of the meetings that had
11 previously been held between White House and Treasury
12 officials?

13 A No.

14 Q After the articles came out, after the Gerth and
15 Schmidt articles out either in late October or early
16 November 1993, to your knowledge, was there any effort made
17 by any White House officials to contact anyone at the RTC
18 relating to the RTC's investigation of Madison?

19 A Not that I know of.

20 Q Was there any effort made by anyone at the White
21 House, to your knowledge, to contact any officials at the
22 Treasury Department relating to the investigation of Madison

1 and Whitewater following those articles?

2 A Did you put any time limits on that?

3 Q I didn't.

4 A I attended a meeting on February 2nd, 1994, and
5 if my previous answer was inconsistent with the fact I
6 attended that ---

7 MR. MURPHY: I don't think it was.

8 THE WITNESS: I don't know if it was or not, but
9 I was interpreting it as meaning sort of an immediate
10 aftermath of that.

11 MR. KRAVITZ: That's what I meant.

12 THE WITNESS: The next knowledge I have of a
13 contact is I attend this meeting on February 2nd, but other
14 than that I don't have any knowledge.

15 I don't actually remember a Gerth story. I
16 remember the Sue Schmidt story. I remember Gerth was the
17 one who called DeVore. I don't know if this is relevant,
18 but I think I earlier talked about a Gerth and Sue Schmidt
19 story. I remember the Sue Schmidt story, but I don't
20 actually remember Gerth writing a piece. He may have, but I
21 just don't remember it. I remember Sue Schmidt writing this
22 piece.

1 BY MR. KRAVITZ:

2 Q Were you aware that the RTC Completion Act was
3 passed in December of 1993?

4 A I was aware in January of 1994 that it had been
5 passed.

6 Q How did you become aware?

7 A By January of 1994 the issue of the Statute of
8 Limitations relating to Madison became public. Senator
9 D'Amato was on the floor of the Senate and various things,
10 and I looked into the issue of when the statute would
11 expire.

12 Q Who directed you to do that?

13 MR. MURPHY: Well again we're getting into an
14 area I think that is not within the scope of the Resolution.

15 MR. KRAVITZ: Is it your position that he's not
16 going to testify about the activities of the Whitewater
17 response team within the White House Counsel's Office? I
18 mean these are documents that have been provided to use. I
19 mean if there is any question of a waiver of Executive
20 Privilege, I mean it's completely waived by the voluntary
21 turning over of documents.

22 THE WITNESS: I'll answer the question.

1 MR. MURPHY: Go ahead.

2 THE WITNESS: It was raised by Mr. Ickes and I
3 looked into it.

4 BY MR. KRAVITZ:

5 Q What did Mr. Ickes ask you to do?

6 A I don't remember whether he asked me to do it or
7 he just said I wonder what they're talking about and I went
8 off and did it.

9 Q What did you do?

10 A I looked into the issue of when the Statute of
11 Limitations would expire.

12 Q Specifically for the RTC's investigation of civil
13 claims in the Madison matter; is that what you mean?

14 A I don't know that I knew that the RTC was doing
15 anything about it, but if there were a civil action brought,
16 when would be the last time the RTC could bring it.

17 Q So what you're saying is that as of early January
18 1994 ---

19 A January 1994. I don't remember early.

20 Q As of January 1994 you had no knowledge that the
21 RTC had an active investigation of the Madison matter?

22 A Civil, yes.

1 Q You had no knowledge as of January 1994 that the
2 RTC was conducting a civil investigation of the Madison
3 matter?

4 A I don't know when I learned that, but if I
5 learned that I learned that publicly. I mean I didn't learn
6 that from any source other than Senator D'Amato saying do
7 you know they've only got 37 days left to bring their action
8 or something like that.

9 Q What did you find from your research?

10 A I think I learned that the statute would expire
11 five years after the date that the RTC took over, or the
12 Federal Government took over the institution.

13 Q And that meant when?

14 A I thought March 1 or 2, 1994.

15 Q Did you report that information to anyone within
16 the White House?

17 A Ickes.

18 Q Was there an organization known as the Whitewater
19 Response Team or something to that effect formed in early
20 1994 within the White House Counsel's Office or within the
21 White House staff?

22 A There was not an organization known as the

1 Whitewater Response Team.

2 Q Was there a team set up to deal with Whitewater
3 related issues?

4 A Was there a team? I don't know how to answer
5 that.

6 Q Was there a group of people who were assigned the
7 responsibility or duty to take primary responsibility for
8 dealing with Whitewater related issues within the White
9 House?

10 A Yes.

11 Q Who were those people?

12 A At what time period are we talking about?

13 Q Well when was this group of people first
14 assembled?

15 A The problem is that you're implying a formality
16 to this that just didn't exist. This was a problem like
17 every other matter at the White House that involves press
18 and Congressional and, you know, groups of people come
19 together to solve it.

20 Q I don't mean to imply anything that's inaccurate.
21 You're the first person from the White House that we've
22 talked to, and we've got documents which seem to indicate

1 that there was something more formal.

2 A It was not that formal, and memberships changed
3 because somebody then is going off on some other issue. I
4 mean the White House is one crisis after another, and the
5 notion that there is sort of a cohesive group that lasts for
6 more than three days, I mean it just is not the sort of the
7 way it works. There was a group of people who sort of had
8 as one of their responsibilities responding to press and
9 Congressional and other kinds of inquiries.

10 Q Who were those people?

11 A In January Mr. Ickes would have been part of the
12 group, Mr. Lindsey, Mr. Nussbaum, me, and at some point Ms.
13 Williams became involved. That's all I remember. There may
14 have been others, and people sort of came and went.

15 Q What role did you play among this group?

16 A I guess I was the most junior member of the group
17 that I just described by several rungs. When somebody had
18 to go research the law I did it, and when talking points
19 needed to get written in response to some press inquiry I
20 would write them. I had the lowest level position.

21 Q What was Ms. William's role? This is Margaret
22 Williams?

1 A Yes.

2 Q What was her role with regard to the people who
3 were working Whitewater related issues back in January of
4 '94?

5 A Strategy and press issues.

6 Q What about Mr. Nussbaum?

7 A The same. I mean I was the grunt and everybody
8 else is the strategist. I mean all we were really doing is
9 responding. At this time all we're doing is responding to
10 press inquiries. So we're deciding what to say, how to say
11 it and how much to say. I mean that's essentially what this
12 group was doing. All that's happening at this time period
13 is we're getting calls from the press and we're figuring out
14 how to respond to them. That's what this group was all
15 about. So it's not like people had different hats or
16 something.

17 Q What time period are you referring to, the entire
18 month of January?

19 A Yes.

20 Q Were there discussions other than between you and
21 Mr. Ickes during January 1994 relating to the Statute of
22 Limitations that would apply to Madison as a result of the

1 RTC Completion Act?

2 A I'm not sure I understood that question.

3 MR. MURPHY: Did you have discussions with anyone
4 other than Ickes about the Statute of Limitations. That
5 what I think he was asking.

6 THE WITNESS: Is that what you're asking?

7 MR. KRAVITZ: During that time period.

8 THE WITNESS: Actually I thought you were asking
9 me whether other than that conversation with Ickes I was
10 having any other conversations. I don't know.

11 BY MR. KRAVITZ:

12 Q Let me ask you a question about the Statute of
13 Limitations issue. You testified that you went and did some
14 legal research on your own to try to determine the effect of
15 the Completion Act on the Statute of Limitations for any
16 hypothetical investigation the RTC might be doing into civil
17 claims relating to Madison, correct? That was what your
18 testimony was, that you did legal research?

19 A Yes. Actually I was getting a little hung up on
20 "hypothetical."

21 Q Well the reason I used that word was that you
22 told me that at the time you didn't know whether there was

1 in fact a civil investigation going on ---

2 A Right.

3 Q --- and I didn't want to misstate your testimony.

4 A I appreciate that.

5 Q Would you agree that that question, what is the
6 Statute of Limitations as a result of the RTC Completion
7 Act, was a purely legal question?

8 A Yes. Well legal and factual. It hinged on the
9 date that the RTC -- I keep saying the RTC, but I don't mean
10 that because the RTC didn't exist in March of 1989, but that
11 the Federal Government took over the institution. So it's a
12 mixed question.

13 Q But it wasn't a question that you needed the
14 expertise of the RTC to answer?

15 A Correct.

16 Q And it wasn't a question that you needed the
17 expertise of the Treasury Department's General Counsel's
18 Office to be able to answer?

19 A Correct.

20 MR. MURPHY: He could look up the statute all by
21 himself.

22 THE WITNESS: I could and did look up the statute

1 all by myself.

2 Can we take a break?

3 MR. KRAVITZ: Sure.

4 (Recess taken from 3:45 p.m. to 3:52 p.m.)

5 MR. KRAVITZ: Why don't we go back on the record.

6 THE WITNESS: Let me just say on the record ---

7 MR. MURPHY: No, let him ask you.

8 THE WITNESS: All right.

9 MR. KRAVITZ: I promise I will ask you about what
10 you just mentioned off the record, although not right away.

11 EXAMINATION (Resuming)

12 BY MR. KRAVITZ:

13 Q I just want to go back and ask a few follow-up
14 questions on the Statute of Limitations research that you
15 conducted that you've already testified about.

16 Did you conduct the research into the Statute of
17 Limitations issue in January of 1994?

18 A Yes.

19 Q And your research was completed in January of
20 1994?

21 A Yes.

22 Q Just so I'm completely clear and the record is.

1 too, the two things that you needed to complete that
 2 research task were, one, the RTC Completion Act of 1993 and
 3 the statute and, two, the date that the government had taken
 4 over Madison Guaranty Savings and Loan?

5 A Yes.

6 Q You mentioned while we were off the record that
 7 you had some small involvement, or some small role relating
 8 to I think what you described as the Ludwig matter. Can you
 9 tell us what you were referring to?

10 A I referred to the Ludwig matter because it was in
 11 all the morning newspapers.

12 Q Today?

13 A Today. So I assumed you knew what I was talking
 14 about. I was working the week between Christmas and New
 15 Years, and I received a telephone call from Clifford Sloan,
 16 Associate Counsel to the President, whom I mentioned
 17 previously. He was at home. Mr. Sloan told me that he
 18 received some communication from Mr. Ludwig. I don't
 19 remember what form that was. I don't know if he had spoken
 20 to Ludwig or if he had gotten a message from Ludwig, but Mr.
 21 Sloan was at home.

22 Q Did you know who Mr. Ludwig was at the time?

1 A I don't remember.

2 Q Did Mr. Sloan tell you?

3 A Yes. I mean he didn't tell me. By the time I
 4 was done with the conversation with Mr. Sloan I knew who
 5 Ludwig was and might have known before, but if I didn't,
 6 then Mr. Sloan told me.

7 Q Who is Mr. Ludwig?

8 A He is the Comptroller of the Currency.

9 Q Do you know what Executive Branch Agency the
 10 Comptroller of the Treasury is related to?

11 MR. MURPHY: Currency.

12 THE WITNESS: The Comptroller of the Currency,
 13 having tipped me off to the answer.

14 MR. KRAVITZ: I guess that was more of a leading
 15 question than I intended. Let me rephrase the question.

16 BY MR. KRAVITZ:

17 Q Do you know what Executive Branch Agency the
 18 Comptroller of the Currency is related to?

19 A I do now. I think at the time I did not. Yes, I
 20 believe OCC is part of the Treasury Department. At the time
 21 of this conversation I actually don't think that I knew that
 22 OCC was part of Treasury. I thought it was a stand-alone

1 agency.

2 Q I didn't mean to interrupt you. Why don't you
3 continue on your discussion with Mr. Sloan.

4 A Mr. Sloan has gotten, the best I remember, some
5 kind of contact, and I don't remember the form in which the
6 contact took, but Mr. Sloan told me that Mr. Ludwig had had
7 some contact with the President down at Renaissance Weekend,
8 and that as a result of the contact Mr. Ludwig wanted to be
9 briefed on matters related to Madison.

10 Mr. Sloan called me, and Mr. Sloan and I agreed
11 that it would not be a good idea for Mr. Ludwig and the
12 President to speak about this issue, even though to my
13 knowledge then and now Mr. Ludwig as Comptroller of the
14 Currency has no role whatsoever in this investigation or
15 anything to do with it, but that there might be a
16 misperception if the President were to speak to Mr. Ludwig
17 about this issue.

18 I knew that Mr. Klein, Deputy Counsel, was at
19 Renaissance Weekend. I paged Mr. Klein who was down there.
20 I called Mr. Klein and told Mr. Klein about this story I've
21 just related to you and told him it was my judgment and Mr.
22 Sloan's judgment that Mr. Klein should stop a meeting, and

1 Mr. Klein told me that he would.

2 Q It was your judgment that Mr. Klein should stop
3 what meeting?

4 A My sense was that the President had a very brief
5 encounter with Mr. Ludwig and they were going to talk again
6 later, and that Mr. Ludwig wanted to get briefed so that he
7 could talk later to the President.

8 Q So Mr. Ludwig was hoping to get briefed while he
9 was still down in South Carolina?

10 A That was my understanding. That was my
11 understanding from Mr. Sloan. The only information I have
12 on this is from Mr. Sloan essentially. I never spoke to
13 Ludwig myself. My message to Mr. Klein was that I didn't
14 think and Mr. Sloan didn't think that the President and Mr.
15 Ludwig should meet about this, and Mr. Klein agreed and said
16 he would take care of it.

17 Q What was the basis for your belief that Mr.
18 Ludwig and the President should not talk about Madison?

19 A I thought it could get misperceived.

20 Q What do you mean by that?

21 A I think I thought that for the President to talk
22 to any banking regulator about this would be misperceived.

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1 that people would think that it was somehow inappropriate.
2 and I regard one of my jobs as Associate Counsel to the
3 President to ensure that those kinds of things don't happen
4 and the President doesn't get in those kinds of situations.

5 Q Is that the entire basis, at least as you can
6 remember now, on which you felt that it would be
7 inappropriate for Mr. Ludwig and the President to have
8 further communication?

9 A Yes.

10 Q Did Mr. Sloan state any additional basis for
11 agreeing with you?

12 A Not that I recall.

13 Q What about Mr. Klein when you spoke with him?

14 A Not that I recall.

15 Q Did these conversations that you had around New
16 Years, or between Christmas and New Years, whenever it was,
17 regarding Mr. Ludwig and the President cause you to think
18 back to the October 14th, 1993 meeting and consider whether
19 it was appropriate for members of the White House staff to
20 have communications with officials who worked for the Head
21 of the RTC, specifically Mr. Altman, and I'm referring to
22 Ms. Hanson, Mr. DeVore and Mr. Steiner?

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1 A It did not cause me to rethink that. I thought
2 at the time that that meeting was appropriate. I thought at
3 Christmastime that it would be appropriate, and I think
4 today that that meeting was appropriate. There was
5 something about your question that I didn't sort of like,
6 which is these people who worked for the Head of the RTC. I
7 was having a meeting with Treasury officials as far as I
8 knew. I was meeting with Public Relations, General Counsel
9 and Chief of Staff at the Treasury Department.

10 Q Just so the record is clear, on October 14, 1993
11 your view of Mr. DeVore, Mr. Steiner and Ms. Hanson was that
12 they were there solely in their capacity as Treasury
13 Department officials?

14 A I was introduced to them as Treasury Department
15 officials. I did not consider that they might have been
16 there in some other capacity. I don't mean to belabor this,
17 but this meeting took place because Jack DeVore, whom I only
18 knew -- if he had an RTC hat, I didn't know about it. This
19 meeting as far as I knew then and as far as I know now
20 occurred because Mr. DeVore, a Treasury Department official,
21 had gotten a call from a reporter.

22 Q When was the first time that you knew that Roger

1 Altman was the interim CEO of the RTC?

2 A I don't know.

3 Q Do you know whether you knew that fact as of
4 October 14, 1993?

5 A I don't know. I doubt it, but I don't know.

6 Q Is there anything else about the Ludwig matter,
7 as you've referred to it, that you can tell us?

8 A Well there is one other thing, which is that
9 after Renaissance Weekend was over and Mr. Klein came back I
10 asked him whether he was able to stop the meeting, and he
11 said yes.

12 Q Was Mr. Klein able to stop the meeting before the
13 time that anyone from the White House staff briefed Mr.
14 Ludwig on Madison or anyone period briefed Mr. Ludwig?

15 MR. MURPHY: Objection to the form of the
16 question inasmuch it assumes that a briefing took place.

17 MR. KRAVITZ: I'm asking whether one took place.
18 He has testified that Mr. Ludwig had requested a briefing.

19 THE WITNESS: Not that I know of. I believe that
20 when Mr. Sloan got this contact he called me, and I
21 immediately called Klein, and I do not believe Mr. Sloan
22 ever briefed Mr. Ludwig, and if someone else from the White

1 House staff did, I don't know.

2 BY MR. KRAVITZ:

3 Q In January 1994, to your knowledge, were there
4 any discussions among White House staff relating to the
5 issue of whether Roger Altman either should or must recuse
6 himself from consideration of Madison related issues at the
7 RTC?

8 A I think so. I think by that time the Republicans
9 on the Senate side had started to question whether Mr.
10 Altman should recuse himself in connection with the Statute
11 of Limitations issue. I haven't gone back to look at the
12 public state of knowledge, but whenever that started to get
13 raised on the Hill it got raised in the White House.

14 Q And in what way was it raised in the White House?

15 A Well there were various concerns about this
16 general issue. There was an institutional concern and a
17 press concern. So there were sort of competing concerns.

18 Q What was the press concern?

19 A The press concern was that it was an issue that
20 having Mr. Altman remain in place would give the press
21 something to write about, political opponents something to
22 talk about, and it kept sort of an issue on the front burner

1 that was going to continue, you know, through the conclusion
2 of this matter.

3 Q Was it viewed in the White House that this was a
4 negative press issue potentially?

5 A Yes.

6 Q What was the institutional issue that you
7 referred to?

8 A The institutional issue that I recall is that
9 there was a concern that people not recuse themselves just
10 because of press issues. There are bases and ethical rules
11 and the like that deal with recusal issues, and if the
12 ethics rules say that someone should recuse themselves that
13 they should, but people shouldn't go around recusing
14 themselves because people on the Hill and the press are
15 saying that they ought to, and that, you know, this would
16 just continue and there would be a whole series of nominees.

17 Ricki Taggart at the same time was under attack
18 and was being pressed to recuse herself, and there would be
19 other nominees come up who sort of as a matter of form we
20 thought might get asked to recuse themselves even if there
21 wasn't anything that they could possible do.

22 Q To your knowledge, in January 1994 did anyone on

1 the White House staff conduct any legal or ethical research
2 into the question of whether Mr. Altman would be required to
3 recuse himself?

4 A I don't know. Not to my knowledge. In January?

5 Q Right.

6 A No, and when I say "no," I mean not to my
7 knowledge.

8 Q To your knowledge, did Mr. Altman have any
9 communications with any members of the White House staff in
10 January 1994 regarding the question of whether he should or
11 must recuse himself from the RTC's investigation into
12 Madison?

13 A Not to my knowledge.

14 Q To your knowledge, were there any communications
15 between White House staff members and any officials either
16 at the Treasury Department or the RTC in January 1994
17 relating to the issue of whether Mr. Altman should recuse
18 himself or must recuse himself?

19 A Not to my knowledge.

20 Q To your knowledge, were there any contacts in
21 January 1994 between White House officials and Treasury or
22 RTC officials on any subject related to the RTC's

1 investigation of Madison related subjects?

2 A Not that I know of. January?

3 Q January of 1994.

4 A Not to my knowledge.

5 Q What was your initial reaction to the question of
6 whether Mr. Altman should recuse himself?

7 A I didn't know the ethics rules, and my reaction
8 was that there was an ethics answer to this question, and
9 that if the ethics rules required him to recuse himself,
10 then he should recuse himself, but otherwise it was a
11 political judgment and a decision can made about whether it
12 was a political hit to take. But there was a standard,
13 which is the ethical rules, and if they required recusal,
14 then obviously he would recuse himself.

15 Q Did you at some point become aware of the
16 appointment of Jack Ryan as the Deputy CEO at the RTC in
17 January of 1994?

18 A I think I did, yes.

19 Q To your knowledge, was Mr. Ryan's appointment
20 something that was of general knowledge among the White
21 House staff?

22 A I don't know.

1 Q How about among the people who were who were
2 dealing with the Whitewater related issues you identified
3 earlier?

4 A You're talking now about January '94?

5 Q Yes.

6 A There had been Legal Times story all about Ellen
7 Kulka that appeared in January, sort of mid-January. I can't
8 remember exactly when, but related to both Ryan and Kulka.
9 I don't know that it mattered to anybody, but I remember the
10 Legal Times story.

11 Q Do you have any recollection of any discussions
12 among White House staff January 1994 about who Jack Ryan and
13 Ellen Kulka were and what they were like?

14 A This is prior to February 2nd?

15 Q Right.

16 A I don't remember too much discussion about Jack
17 Ryan. I remember some discussion about Ellen Kulka.

18 Q Can you tell us about that.

19 A I think that by February 2nd, and this is my best
20 recollection, that Mr. Nussbaum had had dealings indirectly
21 with Ms. Kulka while in private practice. Mr. Nussbaum had
22 represented Kay, Scholar, which is a large law firm located

1 in New York, and Kay, Scholar was all but put out of
 2 business by the RTC and the OTS. Ms. Kulka at the time was
 3 at the OTS, and I think that Mr. Nussbaum did not have any
 4 direct dealings with Ms. Kulka, but a partner of his had had
 5 dealings with Ms. Kulka and he did not have a high opinion
 6 of her.

7 Q You know this from?

8 A From talking to Mr. Nussbaum.

9 Q Personally?

10 A Personally.

11 Q And these conversations took place before
 12 February 2nd, 1994?

13 A I believe that they did. I'm not a hundred
 14 percent certain about that, but they at least were around
 15 February 2nd.

16 Q Were these discussions you've been describing one
 17 conversation you had with Mr. Nussbaum, or in more than one?

18 A I would more than one.

19 Q And were others present during these
 20 conversations?

21 A Yes. I think at least once I had a one-on-one
 22 conversation with Mr. Nussbaum about the issue, and I think

1 others were present at other times, but I can't particularly
 2 tell you who.

3 Q Can you tell anybody else who was present in any
 4 of these conversations?

5 A I cannot tell you that I remember anybody else
 6 who was present, although I gave you a list of names of
 7 people earlier, and it likely included some of those people
 8 or all of those people or one of those people.

9 Q That list being the people who dealt with
 10 Whitewater related issues?

11 A Yes.

12 Q What did Mr. Nussbaum say to you before February
 13 2nd, 1994 which made you think that Mr. Nussbaum did not
 14 have a high opinion of Ellen Kulka?

15 A Well he didn't say very much other than he just
 16 didn't have a high opinion of her. The Kay, Scholar matter
 17 to anybody who practices in Washington is a very well-known
 18 matter which prompted numerous lawyer seminars bashing the
 19 OTS and the RTC for their sort of outrageous behavior in
 20 that case. So it didn't take a lot more for someone who
 21 kind of knew about this matter knowing that Mr. Nussbaum
 22 represented Kay, Scholar. He didn't go on and on about sort

1 of all the things that she had done.

2 Q Well what is everything that you can remember Mr.
3 Nussbaum saying which made you think that Mr. Nussbaum did
4 not have a high opinion of Ms. Kulka?

5 A I think that he told me that she was the lawyer
6 handling the Kay, Scholar for OTS.

7 Q That's all you can remember?

8 A That's really all I can remember.

9 Q And it's simply based on that one sentence that
10 you thought Mr. Nussbaum did not have a high opinion of
11 Ellen Kulka?

12 A I don't remember what else he said. I do not
13 remember any other words that he said, but he conveyed, you
14 know, the sentiment through whatever he said that he did not
15 have a high opinion of her.

16 Q Would you go further and say that Mr. Nussbaum
17 made it clear to you, or indicated to you either through
18 words or gestures that he had a low opinion of Ellen Kulka?

19 MR. MURPHY: I object to that.

20 THE WITNESS: That's a level of detail.

21 MR. MURPHY: Not a high opinion is the same as a
22 low opinion.

1 MR. KRAVITZ: Maybe so and maybe not.

2 BY MR. KRAVITZ:

3 Q Did Mr. Nussbaum ever indicate to you before
4 February 2nd, 1994 that he thought Ms. Kulka was tough?

5 A I thought he had a low opinion of her and her
6 judgment. Tough was not the problem.

7 Q When you were testifying earlier about what
8 everyone who practices law in Washington would know as the
9 outrageous behavior of the OTS in the Kay Scholar matter,
10 was it your impression based on what Mr. Nussbaum said to
11 you before February 2nd, 1994 that Mr. Nussbaum viewed Ms.
12 Kulka's conduct in the Kay, Scholar matter as outrageous?

13 A I don't know that he said that to me, and he did
14 not have any direct dealings. I seem to remember him
15 telling me that he had no direct dealings with her. He knew
16 that she was a lawyer involved. This is all I remember
17 really. OTS was not one of the agencies that he personally
18 dealt with, but she was part of a team that dealt with this
19 matter.

20 Q Did the discussions that you had with Mr.
21 Nussbaum before February 2nd, 1994 relating to Ms. Kulka
22 come up in the context of discussions regarding whether Mr.

1 Altman would have to recuse himself and, if so, who would be
2 left in charge of the RTC's investigation into Madison?

3 A I think so.

4 Q Did Mr. Nussbaum express concern that if Mr.
5 Altman recused himself from Madison related matters at the
6 RTC those matters would be left in the hands of Ms. Kulka of
7 whom Mr. Nussbaum did not have a high opinion?

8 A And Mr. Ryan of whom he had no opinion. The
9 person actually, it's my understanding, was Ryan. She was
10 just involved in the process, but I don't want to overdo
11 this. The person who would step into Roger's shoes was not
12 Ms. Kulka. It would be Mr. Ryan.

13 Q But you and Mr. Nussbaum, to your knowledge, knew
14 that Ms. Kulka was the General Counsel at the RTC?

15 A Yes.

16 Q And certainly a major player, even if not the
17 final decision-maker?

18 A Yes.

19 Q Did Mr. Nussbaum state a concern that absent Mr.
20 Altman's involvement in Madison related matters it would be
21 left in the hands of Mr. Ryan, whom he didn't know, and Ms.
22 Kulka, of whom he had a lot opinion?

1 A Yes. I mean I should say, and earlier I sort of
2 qualified this, I think these conversations were pre-
3 February 2nd. My best recollection is that these were pre-
4 February 2nd.

5 Q Was this an issue that Mr. Nussbaum appeared to
6 be concerned about?

7 A I can only tell you what he said.

8 Q You can't tell us in your experience whether he
9 was more concerned than he was about most issues or less
10 concerned?

11 A I can't. It was just an issue.

12 Q Did any other White House staff members, to your
13 knowledge, state similar views or concerns before February
14 2nd, 1994?

15 A Not that I recall. I don't think anybody else
16 had any knowledge of Ms. Kulka or Mr. Ryan.

17 Q Did you have any knowledge of Ms. Kulka or Mr.
18 Ryan other than what you read in the newspapers and heard
19 from Mr. Nussbaum?

20 A Of them personally?

21 Q Right.

22 A No.

1 Q Or about them professionally?

2 A No, and what I meant about them as individuals. I
3 had no knowledge of either one of them. I had never heard
4 of either one.

5 Q Were you aware of inquiries made of Mr. Altman by
6 White House officials in late January 1994 regarding the
7 subject of whether Mr. Altman would recuse himself?

8 A No.

9 Q Were you aware of inquiries made of Mr. Altman by
10 White House officials in late January 1994 regarding the
11 effect of the RTC Completion Act on the Statute of
12 Limitations applying to civil claims in the Madison
13 investigation?

14 A I was not. I mean I don't know whether your
15 question contained a predicate or not. I'm not aware of
16 that.

17 Q You're testified previously that you were present
18 at a meeting at the White House on February 2, 1994 relating
19 to Madison; is that correct?

20 A Yes, that's correct.

21 Q When did you first learn that this meeting was
22 going to take place?

1 A I was either beeped or called. I was not
2 notified in advance about this meeting.

3 Q Who beeped or called you?

4 A Mr. Nussbaum.

5 Q What did Mr. Nussbaum tell you?

6 A When I say Mr. Nussbaum, Mr. Nussbaum or someone
7 at Mr. Nussbaum's direction. I was told to come to a
8 meeting at Mr. McLarty's office and that was all. That's
9 all I remember.

10 Q Was this right before the meeting started?

11 A When I got there everyone else was there.

12 Q Do you know what time the meeting occurred?

13 A I don't.

14 Q Who else was present at the meeting?

15 A On behalf of the Treasury Department it was Mr.
16 Altman and Ms. Hanson. On behalf of the White House it was
17 Mr. Nussbaum, Mr. Ickes, Ms. Williams and myself.

18 Q Now you just stated that on behalf of the
19 Treasury Department there was Mr. Altman and Ms. Hanson.
20 Was it your understanding on February 2nd, 1994 that Mr.
21 Altman was at this meeting in his capacity as Deputy
22 Secretary of the Treasury or in his capacity as interim CEO

- 1 of the RTC?
- 2 A I didn't have that understanding.
- 3 Q I'm sorry, I didn't understand you.
- 4 A I was just trying to separate the two out. When
- 5 I arrived at the meeting I certainly had no understanding
- 6 about in what capacity anybody was appearing.
- 7 Q Is that something with regard to Mr. Altman that
- 8 you thought about at any time during the February 2nd
- 9 meeting, in other words which hat he was wearing at that
- 10 time?
- 11 A No.
- 12 Q Is it your testimony then that when you arrived
- 13 at the meeting you had no idea what the meeting was going to
- 14 be about in advance?
- 15 A I definitely did not know in advance. It is
- 16 possible that when I was told to come I was told to come to
- 17 a meeting on Whitewater or come to a meeting on Madison, but
- 18 I did not know about this meeting a minute before I arrived
- 19 at the meeting.
- 20 Q Is Mr. Ickes a lawyer?
- 21 A I think so.
- 22 Q Is he a member of the White House Counsel's

- 1 Office staff?
- 2 A No. He is Deputy Chief of Staff.
- 3 Q What about Ms. Williams, is she an attorney?
- 4 A I don't think so. I don't know. You'll have to
- 5 ask her. I think she went to law school a couple of years.
- 6 I'm pretty sure Ickes is a lawyer.
- 7 Q How long did this meeting last?
- 8 A Between 15 minutes and 45 minutes approximately.
- 9 I mean I don't really remember.
- 10 Q Did you take notes at the meeting?
- 11 A I did not.
- 12 Q Do you know if anyone else did?
- 13 A I do not know.
- 14 Q Do you know if anyone had any materials prepared
- 15 in advance for this meeting?
- 16 A Anybody on the White House side?
- 17 Q Right.
- 18 A No one that I know of had any materials prepared
- 19 in advance, but I didn't know about the meeting in advance.
- 20 Q No one gave you any materials when you arrived at
- 21 the meeting?
- 22 A No.

1 Q Could you tell us to the best of your memory what
2 was said by whom at the meeting on February 2nd, 1994?

3 A Yes.

4 Q Maybe that's going to be a long process. Why
5 don't you just tell us what you remember being said first.

6 A All right. I arrived, and I was the last person
7 to arrive. Everyone else was there.

8 Q Was Mr. McLarty not present?

9 A He was not present. Well let me be careful about
10 this. We were in Mr. McLarty's office. It is possible that
11 he stuck his head in at some point and said start without
12 me, but I don't remember whether he did or somebody on his
13 behalf did, but he did not attend the meeting while I was
14 there. When I got there all the names I gave you were
15 already there, and I don't know what may have happened
16 before I got there. So if Mr. McLarty was there before I
17 got there, I have no idea.

18 Q Had the meeting begun when you arrived?

19 A All I can tell you is that when I arrived they
20 appeared to be waiting. So again without being overly
21 precise, I don't know what happened before I got there.
22 They could have discussed anything before I got there, but

1 when I got there everybody was chit-chatting, and the chit-
2 chatting continued for a couple of minutes.

3 Q What was the first thing said once the chit-
4 chatting ended?

5 A I'm not going to be able to tell you what
6 everybody said at this meeting. I just don't remember. I
7 remember the first subject that was addressed.

8 Q What was the principal speaker? You told us, for
9 example, in the October 14th meeting that Mr. DeVore really
10 took a lead role. Did someone play a similar role in the
11 February 2nd meeting?

12 A Yes. It was Mr. Altman's meeting.

13 Q What was the first subject you remember being
14 discussed?

15 A The first subject that was discussed were the
16 issues related to the procedure by which the RTC would
17 decide whether to file an action arising out of Madison
18 Guaranty and the timing, to wit, the Statute of Limitations.

19 Mr. Altman had talking points and he essentially
20 read the talking points to us. I shouldn't say that. He
21 had talking points, and it appeared to me that he was
22 reading from the talking points. I did not have the talking

1 points. and I don't know whether he read them verbatim or
2 not. But on this issue it appeared to me that he was
3 basically reading to us from the talking points.

4 Q On this issue did Mr. Altman provide any
5 information that you did not already know as a result of the
6 legal research you had conducted?

7 A Well not any information that I didn't know as a
8 result of my research or my years of practice. I mean he
9 talked about things like tolling agreements, and he talked
10 about the timing of how the thing might work, but he didn't
11 say anything in this section that wouldn't have been known
12 essentially to a lawyer that did civil litigation.

13 Q Just so the record is clear, on this first issue
14 relating to the Statute of Limitations and the procedures
15 that the RTC would follow relating to the Statute of
16 Limitations, Mr. Altman didn't tell the people assembled at
17 the meeting anything that you couldn't have told them; is
18 that right?

19 A Well I don't know about that. Can I just tell
20 you what he said?

21 Q Sure.

22 A He talked about that the statute would be

1 running, I think he said February 28th, and I paid some
2 attention to it because I thought it was March 2nd, and
3 between that date and February 28th the RTC would have to
4 determine whether to bring an action. He set forth the
5 language of the Statute of Limitations provision which
6 requires sort of a higher level of tort than ordinary
7 negligence tort. He said that near the end of that time
8 period they would have to decide either to bring an action
9 or not bring an action or to seek a tolling agreement. So
10 he said we're probably going to have to decide, you know,
11 some days before the 28th because if we have to seek a
12 tolling agreement there needs to be time to sort of work
13 through all that.

14 He said he had no knowledge about the facts of
15 the case and had no idea whatsoever how it was going to come
16 out. He was going to be getting a recommendation. He
17 hadn't gotten a recommendation and he didn't know anything
18 about the facts of the case. He had no idea what the RTC
19 Completion Act was going to recommend to him, and he had no
20 idea what he was going to do. He said the recommendation
21 would be made to him by Mr. Ryan and Ms. Kulka.

22 Q Can you remember anything else that Mr. Altman

1 said on this first issue?

2 A I can't.

3 Q Did Ms. Hanson add anything related to this first
4 issue, the Statute of Limitations and RTC procedures?

5 A At some point she talked about Mr. Ryan and Ms.
6 Kulka, and I think that was in this section.

7 Q You think that was what?

8 A I think that was in this section.

9 Q Do you remember what Ms. Hanson said about Mr.
10 Ryan and Ms. Kulka?

11 A She told us that they were both professional
12 career people from OTS and excellent people.

13 Q And the relevance of Ms. Hanson's opinion of Ms.
14 Kulka and Mr. Ryan to this first issue was that they were
15 going to be the ones who would be making the recommendation
16 to Mr. Altman?

17 A I guess.

18 Q Were any questions asked of Mr. Altman or Ms.
19 Hanson regarding this first issue?

20 A The only question that I remember is that someone
21 said are the private lawyers going to get a briefing like
22 this or are you going to talk to them about these issues.

1 Q Do you remember who asked that question?

2 A I don't really remember. I think it was Ms.
3 Williams.

4 Q What was the response?

5 A I think that the response was I think so or
6 probably or we'll check and see.

7 Q Who gave that response?

8 A I don't remember. I mean it has to either have
9 been Mr. Altman or Ms. Hanson, but I don't remember which
10 one.

11 Q Were any other questions asked of Mr. Altman or
12 Ms. Hanson relating to this first issue?

13 A I don't recall.

14 Q How long did the conversation on this first issue
15 last?

16 A By conversation you mean?

17 Q The discussion that you've just described,
18 including the questions.

19 A Ten minutes or 15 minutes. It was pretty much
20 though Altman reading off his paper and this question.
21 There may have been other questions, but I don't remember.

22 Q Was there anything in what Mr. Altman and Ms.

1 Hanson told the people at the meeting on February 2nd
2 relating to this first issue that the White House Counsel's
3 Office would have been unable to research and report on
4 itself?

5 A Well I didn't know what they were doing. I don't
6 mean to be silly about this, but I didn't know they had a
7 procedure in place before the February 2nd meeting that they
8 were sort of going through a decision-making process. I
9 guess.

10 Q What do you mean? What are you referring to when
11 you said you didn't know they had a procedure? Do you mean
12 with regard to the Madison investigation?

13 A Yes. I mean this had been a little unusual
14 because before the passage of the RTC Completion Act the
15 claims had all lapsed against Madison. They were all gone,
16 and they had been gone since March of '92, as I remember
17 from my research.

18 Q Did Mr. Altman say anything in the February 2nd
19 meeting about when the RTC's investigation of the civil
20 claims had begun again?

21 A No, not that I remember.

22 Q Have you told us everything you can remember that

1 Mr. Altman said about the actual status of the RTC's civil
2 investigation as of February 2nd?

3 A Yes. As I sit here today I cannot think of
4 anything else.

5 Q Just to go back to my previous question, as far
6 as Statute of Limitations issues are concerned and the
7 actual procedures, the general procedures of the RTC with
8 regard to either filing claims, deciding not to file claims
9 or seeking tolling agreements, those were all issues that
10 you or someone else in the White House Counsel's Office
11 could have researched and reported on?

12 A Yes.

13 Q The only information that Mr. Altman had that you
14 didn't have was the actual status or the general status of
15 the RTC's civil investigation, correct?

16 THE WITNESS: Can we talk outside for just a
17 moment?

18 MR. MURPHY: Sure.

19 MR. KRAVITZ: Actually before you do that, let me
20 rephrase the question because I think the question is a bad
21 one.

22

1 BY MR. KRAVITZ:

2 The question should be the only information that
3 Mr. Altman transmitted on February 2nd that you didn't
4 already know was the general status of the RTC's
5 investigation into the civil claims involving Madison?
6 (Witness and his counsel confer outside the
7 room.)

8 (The pending question was read by the reporter.)

9 THE WITNESS: I don't think that's right for two
10 reasons. First, I don't think I learned about the general
11 status. All I knew as a result of the research was that if
12 the RTC was going to do anything at the time at least, and
13 it turned out not to be true, but at the time at least if
14 the RTC was going to do anything, it had to do something by
15 what I felt was March 1st or March 2nd. I didn't know they
16 were going about doing anything. I mean as far as I know I
17 didn't know what they were doing or not doing. I didn't
18 know there was any procedure in place.

19 What he told us that I didn't know before was
20 that they had a procedure in place to decide this issue, and
21 I didn't know that before. I didn't know what they were up
22 to over there. As far as I knew, they had never opened it

1 and never intended to. I mean I didn't know.

2 BY MR. KRAVITZ:

3 Q You mean as of February 2nd you didn't know
4 whether the investigation had been reopened?

5 A Yes.

6 Q Did Mr. Altman indicate whether or not the
7 investigation had been reopened?

8 A Well he indicated, or the impression that I got
9 was that they were going to review the evidence and decide,
10 and that that was the process that they were going through.
11 I didn't know that there was a process going on before that.
12 All I knew before is that if they had a process they had to
13 do something by such and such a date. So I did get
14 something out of it.

15 Q That's actually what I was referring to when I
16 used the term "general status," but I didn't really know how
17 to describe that.

18 A Well the only thing I didn't want to leave an
19 impression was that he told us anything about the merits.
20 We learned absolutely nothing about the merits.

21 Q Is there anything else about the discussion on
22 February 2nd relating to this first issue that you haven't

1 told us about that you can remember?

2 A There is nothing else that I remember as I sit
3 here.

4 Q What was the second issue that was discussed at
5 the February 2nd, 1994 meeting?

6 A Whether he should recuse.

7 Q Who raised the second issue?

8 A He did.

9 Q What did Mr. Altman say?

10 A On this point he was, as I recall, no longer
11 looking at talking points. He had been pretty much reading
12 talking points to us I thought during the first half. In
13 the second half there is this question, and he's leaning
14 back, and I can just tell you my best recollection of what
15 he said, which was something like I'm think about recusing
16 myself.

17 Q So it's recollection that Mr. Altman simply said
18 that he was thinking about recusing himself as opposed to
19 saying that he had decided to recuse himself?

20 A Yes. I don't remember that he used the words
21 "thinking about" specifically, but it is not my recollection
22 that he informed us that he had decided to recuse himself.

100

1 That is not my recollection.

2 Q Is that something that you feel confident in your
3 memory on?

4 A Well fairly. I mean I could be wrong about it,
5 but my best recollection is that at the beginning and at the
6 end he was in about the same place, which he was thinking
7 about it. I don't remember him coming in and saying that he
8 was going to recuse himself, and at the end of it having him
9 say that he would think about it. I sort of had the feeling
10 that he sort of threw the issue on the table, and when he
11 left the issue was still on the table. That's my best
12 recollection.

13 Q Did Mr. Altman in his opening remarks on the
14 subject of recusal indicate what he was thinking about, in
15 other words what factors he was considering, or did he
16 simply say I'm thinking of recusing myself or words to that
17 effect?

18 A Well I think he told us that he had been advised
19 by Ms. Hanson to recuse himself, and he might have also said
20 that he had been advised by Secretary Bentsen to recuse
21 himself.

22 Q When you say Mr. Altman might have said that

1 those two people advised him ---

2 A I'm pretty sure he said that Ms. Hanson had
3 advised him to recuse himself. I have a much dimmer
4 recollection that he also mentioned Secretary Bentsen.

5 Q Did Mr. Altman indicate why it was that he was
6 considering recusing himself and why it was, as he
7 understood it, Ms. Hanson may have recommended that he
8 recuse himself, or why it was that Secretary Bentsen may
9 have recommended that he recuse himself?

10 A I don't specifically remember him saying so. I
11 had an impression at the time.

12 Q What was that?

13 A It was the issue that I talked about earlier,
14 which is press and politics. I mean it's important for me
15 to say I did not feel and he did not say that he had gotten
16 an opinion from either one of them that he had an obligation
17 to recuse himself, because if he had gotten that opinion
18 that would have been the end of it.

19 Q At least as far as you were concerned.

20 A As far as I'm concerned and I think as far as it
21 concerned everybody in the room. By the time this is over
22 that's my recollection of how this meeting ends.

1 Q Who was the first person to respond to Mr.
2 Altman's comment on the recusal issue?

3 A Mr. Kravitz, I just can't do it that way, I'm
4 sorry.

5 Q That's fine. What conversation do you recall
6 following Mr. Altman's initial remarks about the subject of
7 recusal?

8 A I remember him saying that it didn't matter
9 whether he had recused himself or not.

10 Q Did he say what he meant by that?

11 A Yes, he did. He was pretty emphatic at this
12 point, as I recall. You're going to talk to others who were
13 there, but my recollection of this is that he was emphatic
14 that as a practical matter it did not matter whether he
15 recused himself or didn't recuse himself because he would
16 follow whatever advice he received from Mr. Ryan and Ms.
17 Kulka in that if they told him to bring a suit or not bring
18 a suit or seek a tolling agreement, whatever they told him
19 to do that's what he was going to do. I remember him saying
20 that.

21 It must have been before that then that someone
22 said to him well, you know, if you recuse yourself -- I

1 remember somebody saying to him if you recuse yourself who
 2 is going to decide. So maybe the conversation I related
 3 earlier about Kulka and Ryan may have occurred at this
 4 section instead of in the first section, although I sort of
 5 remember it in the first section as well. But I remember
 6 that discussion, sort of if you recuse yourself who are the
 7 decision-makers, and he said Kulka and Ryan, and then he had
 8 this thing about that, you know, it doesn't really matter as
 9 a practical matter because I'm going to follow whatever they
 10 tell me. So if I don't recuse myself the decision-makers
 11 are Kulka and Ryan, and if I do recuse myself, the decision-
 12 makers are Kulka and Ryan.

13 Q To your recollection, did anyone have a response
 14 to that explanation by Mr. Altman?

15 A I don't really remember. I think probably, but I
 16 don't remember.

17 Q When you heard that statement by Mr. Altman,
 18 which I'll paraphrase by saying basically, and tell if I'm
 19 wrong, but is your interpretation of what Mr. Altman said
 20 that as a practical matter it made no difference to the
 21 outcome of the RTC's investigation whether or not he recused
 22 himself?

1 A Yes, that was my understanding of what he was
 2 telling us.

3 Q Did that statement affect your view of whether or
 4 not Mr. Altman should recuse himself?

5 A I do not recall articulating a view at the
 6 meeting.

7 Q That's not what I asked you.

8 A No, I understand, but I ---

9 Q You were still a grunt.

10 A I'm a grunt.

11 (Laughter and side remarks off the record.)

12 THE WITNESS: I mean I thought that for somebody
 13 to recuse themselves who didn't have an obligation to recuse
 14 themselves because of a press and political opposition issue
 15 was not the right thing to do, and it's not the way the
 16 government ought to work.

17 BY MR. KRAVITZ:

18 Q But did the fact, at least according to Mr.
 19 Altman, the recusal as a practical matter was virtually
 20 meaningless, did that affect your opinion in any way?

21 A No, because that's not the level on which I was
 22 thinking about this.

1 Q Do you have any recollection of Mr. Nussbaum
2 asking Mr. Altman after Mr. Altman said that he was
3 considering recusing himself whether the RTC's investigation
4 of Madison would then be handled by Mr. Ryan and Ms. Kulka?

5 A Well I remember that issue coming up. I don't
6 specifically remember that Mr. Nussbaum raised it as opposed
7 to somebody else. I mean I remember somebody saying if you
8 recuse yourself who is going to decide. I don't
9 specifically remember that that was Mr. Nussbaum as opposed
10 to Ms. Williams or Mr. Ickes.

11 Q It was definitely one of the White House staff
12 people?

13 A Yes.

14 Q Did Mr. Nussbaum indicate during the February
15 2nd, 1994 meeting that he had worked with Ms. Kulka before?

16 A I earlier testified that I remember that issue
17 coming up around this time, but I don't actually remember
18 him saying that at the meeting. It's possible that he did,
19 but I don't remember him saying that.

20 Q Did Mr. Nussbaum say I've worked with Kulka
21 before on the Kay, Scholar matter, I'm not going to saying
22 she's not a good lawyer, but she's tough?

1 A I don't remember that. As I said before, I
2 remember this issue, and I remember his saying things like
3 that, although I don't remember the tough thing. So he
4 definitely said that. He said that enough times that I knew
5 he meant it.

6 MR. MURPHY: Said what?

7 THE WITNESS: He talked about Ms. Kulka in
8 connection with the Kay, Scholar matter. What I don't
9 remember is whether he said it at that meeting. I just
10 don't remember. He could have.

11 BY MR. KRAVITZ:

12 Q Do you remember if the Kay, Scholar matter was
13 discussed at all during the February 2nd meeting?

14 A I don't recall. If it was, it was obviously done
15 by Mr. Nussbaum.

16 Q You never heard Ms. Williams talk about the Kay,
17 Scholar matter?

18 A I don't remember the Kay, Scholar matter coming
19 up.

20 Q I was just wondering why you say that if it came
21 up it was obviously Mr. Nussbaum. I mean is he the only
22 person on the White House staff you heard make comments

1 about Ellen Kulka in the context of the Kay, Scholar matter?

2 A Yes.

3 MR. MURPHY: He represented Kay, Scholar.

4 THE WITNESS: He represented Kay, Scholar. I
5 mean he was Kay, Scholar's lawyer.

6 BY MR. KRAVITZ:

7 Q That doesn't mean he's the only one who can have
8 an opinion on her participation in the matter.

9 A It doesn't mean that, but almost. Ms. Williams
10 is not a practicing lawyer, and she doesn't know anything
11 about Kay, Scholar that she hasn't learned from Bernie. She
12 doesn't have an independent view.

13 Q I thought you said a couple of minutes ago that
14 anybody who lives in Washington would know about Kay,
15 Scholar.

16 A Oh, no, a practicing lawyer. I'm pretty sure I
17 said a lawyer who practices in this area in Washington. I
18 don't think that Ms. Williams who worked as the Children's
19 Defense Fund before this had any particular knowledge of
20 Kay, Scholar.

21 Q Did Mr. Altman say anything about whether he held
22 Ms. Kulka in high regard?

1 A I said earlier that at some point either Mr.
2 Altman or Ms. Hanson said that they did hold her in high
3 regard. I didn't use those words, but words to the effect
4 that they were excellent employees, career employees and
5 would do a good job and were to be relied on to come to the
6 correct decision, and when I say that I mean whatever the
7 law in fact requires.

8 Q And that's why Mr. Altman said that he would
9 follow their recommendations as far as you could tell?

10 A I don't know why he said that.

11 Q What about Ms. Margaret Williams, did she say
12 anything during this February 2nd meeting?

13 A I think that she's the one who said are you going
14 to give this briefing to the private lawyers, or are you
15 going to tell the private lawyers about this. I think that
16 that was Ms. Williams, but I can't separate this meeting out
17 by talkers.

18 Q Do you remember Ms. Williams asking if the RTC's
19 investigation was going to be completed before February 28th
20 so that no tolling agreements would have to be sought?

21 A I don't remember.

22 Q Do you remember anyone asking that question?

1 A The only thing I remember on that issue is Altman
2 saying if we're going to seek a tolling agreement we're
3 going to have to do it before the 28th because there has to
4 be time to have it entered into.

5 Q You don't remember anyone asking as a follow-up
6 whether he thought that the RTC was going to be ready ---

7 A I don't.

8 Q --- before the 28th?

9 A Well they had to be ready before the 28th.

10 Q Well let me rephrase it. You don't remember
11 anyone asking whether the RTC would be ready in terms of
12 completing its investigation so that it could actually make
13 a substantive decision as to whether or not to file a claim
14 instead of having to seek tolling agreements before February
15 28th?

16 A I don't. I don't remember. I have a general
17 recollection though that Mr. Altman didn't know anything
18 about what was going on. I mean he was telling us about
19 procedures. I have a general recollection that he didn't
20 know what decisions were being reached and what was
21 happening sort of out in the field or whatever. But on this
22 specific issue I don't remember.

1 Q There was a concern, wasn't there, that if word
2 got out even that there had just been a tolling agreement
3 reached that that would be damaging?

4 MR. MURPHY: By whom? Concern by whom?

5 MR. KRAVITZ: The people at the White House.

6 THE WITNESS: I don't remember. It's perfectly
7 possible. Do you mean at this meeting, did somebody say
8 something about it at this meeting?

9 MR. KRAVITZ: Or in other meetings.

10 THE WITNESS: I don't remember that.

11 BY MR. KRAVITZ:

12 Q You don't remember that concern being voiced?

13 A No. I mean again I don't remember. It might
14 have been, but I don't remember.

15 Q Did Mr. Ickes tell Mr. Altman that in his opinion
16 if Mr. Altman did decide to recuse himself it would be
17 better to do it sooner rather than later?

18 A I think so.

19 Q Was there any discussion on that point?

20 A Not that I remember.

21 Q Did Mr. Ickes indicate why he thought it would be
22 better for Mr. Altman to recuse himself sooner rather than

1 later?

2 A Not that I recall.

3 Q Did Mr. Altman respond to that comment?

4 A I don't recall.

5 Q Did Mr. Nussbaum state in the February 2nd, 1994
6 meeting that if Mr. Altman did not recuse himself he would
7 be able to impose discipline on the RTC's investigation?

8 A I don't remember that.

9 Q Do you remember anything to that effect said by
10 Mr. Nussbaum?

11 A No. I mean it could have been said in connection
12 with this statement about regardless of what Ryan and Kulka
13 recommend to me, I'm going to follow it. I mean it seemed
14 like a logical thing for Bernie to have said - you mean
15 anything - but I don't remember him saying it.

16 Q Why does that seem like a logical thing to
17 follow? It actually seems like exactly the opposite
18 proposition to me. I mean someone is getting imposed
19 discipline, and that someone appears to be willing to take a
20 different approach than Ryan and Kulka, wouldn't you agree?

21 A All I know is that he could hardly have been
22 clearer that whatever Ryan and Kulka said to him he was

1 going to do. I don't remember people sort of disagreeing
2 with that, but that I remember quite clearly.

3 Q Did anyone raise his or her voice during the
4 February 2nd, 1994 meeting at the White House?

5 A Not that I recall.

6 Q How would you describe the general tone or
7 demeanor of the various people during the meeting?

8 A I had never met Altman before. So I didn't have
9 any basis of interpreting what he's like, you know, in a
10 normal different situation. I guess Hanson I had seen, and
11 I only really remember seeing her before that October 14th
12 meeting. I would say everybody was sort of cordial and
13 restrained. It was not tense, but it was formal. I guess
14 formal is the word I would use. I thought it was a formal
15 meeting for a group of people who knew each other actually.
16 I mean that was my reaction at the time. I didn't know
17 Altman, but I know that there had been dealings among that
18 group on health care and other things, and it seemed like a
19 formal meeting.

20 Q Did you ever ask anybody why there was that level
21 of formality?

22 A No, and it may not have been. Maybe that's the

1 way they always react. You know, it was a high-level
2 governmental meeting. So it may be that's the way they
3 always acted among each other. I had not seen them interact
4 at other times, but it seemed like a very formal atmosphere.

5 Q Is there anything else that anyone said at that
6 meeting that you haven't told us about and you can remember?

7 (Witness and his counsel confer.)

8 A Yes. The end of the meeting I really haven't
9 told you about. I think at the end of the meeting, and
10 again I can't separate it out by who the talkers were, but
11 at the end of the meeting Altman was going to go seek an
12 ethics opinion from the Treasury Ethics Officer and the RTC
13 Ethics Officer, and if either one of them told him that he
14 had to recuse himself, and I don't quite remember that it
15 was both, but I have some recollection that, you know, he
16 might as well check with both of them or something, and if
17 anybody told him he had to recuse himself he would, and
18 otherwise it was up to him.

19 Q You just testified that Mr. Altman was going to
20 consult with the Ethics Officers at Treasury and the RTC?

21 A Yes. I'm pretty sure Treasury and I think the
22 RTC also.

1 Q What about the White House Ethics Officer?

2 A I think that Mr. Nussbaum said, you know, if
3 anybody needs to talk to the White House Ethics Officer,
4 they should give her a call or something.

5 Q Are you sure that's how it was said?

6 A I'm not sure that's how it was said. I'm not all
7 that clear. I did not have the view that the White House
8 Ethics Officer was going to give an opinion on the issue.

9 Q Didn't Mr. Nussbaum tell Ms. Hanson to have the
10 Treasury Ethics Officer contact Beth Nolan?

11 A You know, I don't remember it that way actually.
12 I remember it more as, you know, if they need somebody to
13 talk to call Beth Nolan. I don't remember it being a
14 direction that somebody had to call Beth Nolan.

15 Q It's your testimony, and I think you said this
16 before, but it's your testimony, at least as far as you
17 could tell, that Mr. Altman left the meeting at the same
18 place he was on the question of whether he should recuse
19 himself as he was when he arrived at the meeting?

20 A Well I don't know where he was in his head, but I
21 think, or my best recollection is that when he started to
22 talk about recusal he said that he was thinking about

1 recusing or considering recusing or I've been advised to
 2 recuse myself and I'm thinking about it, something like
 3 that, and at the end, I mean it's a little different, at the
 4 end he was going to seek formal ethics opinions, such that
 5 if he had an ethical obligation to recuse himself he
 6 obviously would, and that otherwise it was up to him and he
 7 would think about it.

8 Q It's your testimony that no one at the meeting,
 9 including Mr. Nussbaum, raised his voice?

10 A I don't remember Mr. Nussbaum raising his voice.
 11 Have you deposed Mr. Nussbaum?

12 MR. KRAVITZ: I'm not here to answer questions.

13 THE WITNESS: He's an excitable New Yorker, but I
 14 do not remember Bernie, or Mr. Nussbaum raising his voice.

15 BY MR. KRAVITZ:

16 Q Anyone else?

17 A No. Bernie is a fast-talking, gesticulating New
 18 Yorker. I mean somebody that didn't know him might have
 19 thought that that was unusual, but that's Bernie.

20 Q Now you testified with regard to the so-called
 21 Ludwig matter we've talked about that it was your view that
 22 it was inappropriate for Mr. Ludwig to communicate with the

1 President.

2 MR. MURPHY: No, he didn't say that.

3 THE WITNESS: I did not say that.

4 MR. MURPHY: He did not say inappropriate.

5 THE WITNESS: I did not think it was
 6 inappropriate. I thought it would be misperceived and it
 7 shouldn't happen.

8 MR. KRAVITZ: I withdraw the question. I
 9 apologize. I didn't mean to mischaracterize it.

10 BY MR. KRAVITZ:

11 Q You testified that you didn't think Mr. Ludwig
 12 should communicate with the President relating to the
 13 Madison matter?

14 A Yes, that I did testify to.

15 Q In your view, would it have been advisable for
 16 the President to speak with Mr. Altman on the subject of
 17 whether Mr. Altman should recuse himself from the RTC's
 18 consideration of the Madison matter?

19 MR. MURPHY: I object to that question. I don't
 20 really under the basis upon which you've asked Mr. Eggleston
 21 such a question.

22 MR. KRAVITZ: What do you mean?

1 MR. MURPHY: He is not here as an expert on legal
2 ethics or governmental employee ethics or the advisability
3 of the President talking ---

4 MR. BRAUNREUTHER: He's an expert on what he was
5 thinking at the time, and he can say if he recalls what he
6 thought and whether it had given him any impression.
7 Obviously with respect to his mindset at that time he is an
8 expert and he can testify if he recalls if he had any ---

9 MR. MURPHY: He's an expert on his own mindset?

10 MR. BRAUNREUTHER: Yes.

11 MR. MURPHY: Is that really what this is all
12 about?

13 MR. KRAVITZ: Let's move on.

14 MR. BRAUNREUTHER: Let me just state, because I
15 do intend to ask these questions, and maybe we can iron some
16 of them out in advance. I mean if you have an particular
17 impression of something at the time, I think we're entitled
18 to inquire about that. If you had a view that this was
19 offensive and shouldn't be done, that would be relevant. On
20 the other hand, if you had a view that it was perfectly
21 appropriate and that that was your view, then you can
22 express that opinion as well.

1 MR. MURPHY: I would prefer for Mr. Eggleston to
2 answer questions about real life events that took place
3 rather than hypothetical scenarios concocted by counsel.

4 MR. BRAUNREUTHER: My point is that his real life
5 state of mind at that point in time is relevant.

6 MR. KRAVITZ: I think we can cut this short.

7 Let me show you what has been marked as X000497,
8 which is a one-page document entitled "Talking Points on
9 Congressional Hearings on RTC," dated 2/22/94.

10 Have you ever seen that document before?

11 (Witness reviews document.)

12 THE WITNESS: I have not seen this document
13 before.

14 BY MR. KRAVITZ:

15 Q You testified that you've not seen this document
16 before. Can you tell whether it's a White House document?

17 A I can't. It's per Howard Schloss, and Schloss is
18 not a White House official.

19 Q That fact that this includes information that was
20 obtained from Howard Schloss doesn't mean that it's not a
21 White House document.

22 A I don't know where that document came from. I've

1 not seen it before that I know of.

2 Q Under the section "Major Talking Points" this
3 document states: "As Mr. Altman is interim CEO of an
4 independent agency, it is not appropriate for the President
5 to tell Mr. Altman whether or not to recuse himself."

6 Do you believe that to be an accurate statement?

7 MR. MURPHY: I don't know if that's a statement
8 that one could characterize as either accurate or
9 inaccurate.

10 MR. KRAVITZ: Do you agree with that statement?

11 MR. MURPHY: Do you want to answer that?

12 THE WITNESS: Yes.

13 MR. MURPHY: Go ahead.

14 THE WITNESS: I don't. I think the President
15 could have asked him to recuse himself.

16 BY MR. KRAVITZ:

17 Q Do you think the President could have asked Mr.
18 Altman not to recuse himself?

19 A I think he could have asked him to recuse
20 himself. Let me start by saying as far as I know there were
21 no communications between the two of them. I think he could
22 have asked him to recuse himself. This is whether legally

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1 or ethically he could have or couldn't have. If the ethics
2 rules said he should recuse himself, I don't think he can
3 ask him not to recuse himself, but I don't think he would,
4 and I don't think he did.

5 Q What if the ethics rules left it in Mr. Altman's
6 discretion, do you think it would have been appropriate for
7 the President to ask Mr. Altman not to recuse himself?

8 A I don't have an opinion on that half of it. I do
9 have an opinion on the other half of it, which is that I do
10 think that the President could have said in the interests of
11 getting on with the work of this country and the like I
12 think you ought to recuse yourself and let's get this thing
13 over with and let's not have press and Capitol Hill issues.
14 I have an opinion on that side. I think he could have asked
15 him to do it. I think Altman could have follow it or not
16 followed it, but I think the President could have asked him
17 to do it. I don't have an opinion on the other side.

18 Q Do you think it was appropriate for Mr. Nussbaum
19 to suggest to Ms. Hanson and Mr. Altman that an ethics
20 official from the White House Counsel's Office should or
21 could be consulted on the question of Mr. Altman's recusal?

22 A Yes.

1 Q Why?

2 A Because I think they were trying to come to the
3 right answer. I mean it's important for you to understand
4 there is an ethical issue and there is a political issue.
5 The ethical issue is everybody wanted to come to the right
6 answer. If there was an ethical obligation for him to
7 recuse himself, he absolutely had to recuse himself. There
8 was no doubt about it, and she could assist them in coming
9 to the right ethical conclusion, then I thought that that
10 was absolutely fine. Whatever that might be and whatever
11 that was, that's what it was going to be. I always regarded
12 that as different than the political issue about whether or
13 not you're willing to have Wall Street Journal editorials on
14 the issue. So I thought that was appropriate.

15 Q Did anyone say anything during the February 2nd,
16 1994 meeting that you interpreted as an attempt to influence
17 Mr. Altman's decision as to whether to recuse himself?

18 A I'm sorry, could you ask me that again.

19 MR. KRAVITZ: Would you read that back.

20 (The pending question was read by the reporter.)

21 THE WITNESS: I don't remember.

22 BY MR. KRAVITZ:

1 Q Is there anything that would refresh your memory?

2 A That's an impossible question to answer. Nothing
3 I can think of.

4 Q You've told us that you think that Mr. Nussbaum,
5 or I think you said you're not sure whether Mr. Nussbaum
6 made the comments about Ms. Kulka's involvement in the Kay,
7 Scholar matter during this meeting, but you think that it
8 probably came up ---

9 A I don't think I said I think it probably came up.
10 It had come up before or maybe after. He had raised the
11 issue, but I don't remember whether it came up at the
12 meeting.

13 Q You're testimony is that you don't remember
14 whether anyone said anything that you interpreted as an
15 attempt to influence Mr. Altman one way or the other?

16 A Right. I can't think of anything. I don't
17 remember.

18 Q As far as you remember, the White House
19 officials' response to Mr. Altman's bringing up the recusal
20 issue was completely neutral?

21 A That's a different question.

22 Q Was it?

1 A He was asked who is going to decide. I mean
2 there were questions asked about so what then is going to
3 happen.

4 Q Let me rephrase the question this way.

5 A That's a different question than a question about
6 whether or not there was an intent to influence him.

7 Q Did any of the White House officials present at
8 the February 2nd meeting say anything that indicated to you
9 White House officials' opinion as to whether Mr. Altman
10 should recuse himself?

11 MR. MURPHY: I don't understand the question.
12 Don't answer it.

13 MR. KRAVITZ: Do you understand the question?

14 MR. MURPHY: No, I don't think he does.

15 MR. KRAVITZ: Let me try again.

16 BY MR. KRAVITZ:

17 Q Did Mr. Nussbaum say anything at the February 2nd
18 1994 meeting which indicated that he did not want Mr. Altman
19 to recuse himself?

20 MR. MURPHY: Let me talk to Mr. Eggleston.

21 (Witness and his counsel confer.)

22 MR. KRAVITZ: Do you have an answer to the

1 question?

2 THE WITNESS: I think Mr. Nussbaum was absolutely
3 firm that if there was a legal or ethical obligation on Mr.
4 Altman to recuse himself that he should recuse himself, and
5 I think that that was articulated at this meeting. You
6 asked me whether he expressed any view, and that much was
7 clear to me, and I think it was clear to everybody.

8 As to the rest of it all I can do is tell you
9 what people said, and I've told you what everybody said and
10 I can't answer your question. You're asking me what Bernie
11 intended.

12 MR. KRAVITZ: That's not what I'm asking you.

13 BY MR. KRAVITZ:

14 Q What I'm asking you is whether any White House
15 official, whether Mr. Nussbaum or anyone else, said anything
16 during that meeting that you interpreted as a statement of
17 opinion that it would be better if Mr. Altman recused
18 himself?

19 A Better that he recuse himself?

20 Q I'm sorry, better that he not recuse himself.

21 A The answer to the recuse himself if yes, and I've
22 said that a couple of times, which is if he had an

1 obligation to he had to and there was no doubt about it.

2 Better that he not recuse himself, I don't know.

3 I don't remember. I've told you what everybody said, and he
4 said ---

5 Q Whose is "he"?

6 A He Altman said he was thinking about recusing
7 himself. He got questions about it, what would the impact
8 of it be. I mean I can't answer the question any further.

9 (Counsel Codinha and Maloney join the deposition
10 at this point in the proceedings, 5:10 p.m.)

11 THE WITNESS: Could you identify who else has
12 come in.

13 MR. CODINHA: I'm the Chief Counsel from the
14 Majority, and Beth O'Neill Maloney is with me and she is an
15 Assistant Counsel.

16 (Introductions made.)

17 BY MR. KRAVITZ:

18 Q Did anyone other than Mr. Nussbaum state an
19 opinion during the February 2nd, 1994 meeting that that
20 person would prefer it if Mr. Altman did not recuse himself?

21 A I don't remember anybody telling Mr. Altman not
22 to recuse himself.

1 Q That's not what I asked you.

2 MR. MURPHY: That they prefer he not recuse
3 himself.

4 THE WITNESS: I don't remember anybody saying
5 that.

6 BY MR. KRAVITZ:

7 Q You don't remember anyone at that meeting stating
8 an opinion as to whether recusal or non-recusal was
9 preferable from the White House point of view?

10 A No.

11 Q At any point during the February 2nd meeting at
12 the White House did you consider whether it was ethically
13 proper for that meeting to be taking place in light of the
14 subject matter and the people present?

15 A Yes.

16 Q You thought about that during the meeting?

17 A Yes.

18 Q What did you think?

19 A I'm not an ethics officer.

20 Q I'm just asking you what you thought.

21 A No, I understand, but I'm giving you my basis,
22 which is at the time I did not think that the meeting was

1 improper, but I was concerned about the meeting.

2 Q What was the basis of your concern?

3 Q At the time I knew that were going to be RTC
4 oversight hearings later that month both in the House and in
5 the Senate. It turned out there was only one in the Senate.
6 I thought that Mr. Altman would be testifying and would be
7 asked about contacts at the White House, that he would
8 testify about it and that there would be political fallout.

9 Q So is it fair to say that your concern was not
10 that it was ethically improper, but that it would look bad
11 when it became public knowledge?

12 A Yes.

13 Q Did you ever discuss your concerns about the
14 propriety or the advisability of the February 2nd, 1994
15 meeting with anyone else at the White House before the time
16 that Mr. Altman testified on February 24th?

17 MR. MURPHY: I object to the question. I think
18 you meant to correct yourself. You said propriety and
19 changed the word to advisability. Are you asking him about
20 advisability?

21 MR. KRAVITZ: I'm asking about both.

22 MR. MURPHY: He said he did not have a concern

1 about propriety, as I understood him.

2 MR. KRAVITZ: Do you understand the question?

3 THE WITNESS: Yes.

4 MR. KRAVITZ: Why don't you answer it.

5 THE WITNESS: Did you have a time period?

6 MR. KRAVITZ: Yes. My question was between
7 February 2nd and February 24th, the day that Mr. Altman
8 testified before the Senate, 1994.

9 THE WITNESS: Not the advisability of whether the
10 meeting should have taken place or propriety of whether the
11 meeting to have taken place, not that I recall.

12 BY MR. KRAVITZ:

13 Q Were there any discussions that are responsive to
14 my question?

15 A No. That is responsive to your question, and the
16 answer is not that I recall.

17 Q No conversations either about the propriety of
18 the meeting or about the advisability as a political matter
19 of the meeting?

20 A No. I mean you're going to ask me about
21 discussions that took place in connection with the hearing.
22 I mean there were discussions that took place that I'm going

1 to tell you about that were in preparation for the hearing
 2 that dealt with this issue. but it did not relate to the
 3 propriety or the advisability of the meeting that had
 4 already taken place.

5 Q What happened when the meeting in Mr. McLarty's
 6 office ended on February 2nd, 1994? Where did you go?

7 A I don't know.

8 Q Did Mr. Altman stay behind for a second meeting
 9 on February 2nd, 1994 immediately following the meeting
 10 we've just been discussing?

11 A I don't know. I left.

12 Q You didn't have anything further to do with Mr.
 13 Altman that day?

14 A No.

15 Q Did you receive any assignments following the
 16 February 2nd, 1994 meeting at the White House related to the
 17 subject discussed at the meeting?

18 A No.

19 Q Do you know if anyone else in the White House
 20 staff did?

21 A Not that I know of.

22 Q Did you have any discussions about the February

1 2nd meeting with anyone in the White House after it was
 2 over?

3 A I'm 'sure that I did, but I don't recall.

4 Q Why do you say you're sure that you did?

5 A By after it's over do you mean the day it was
 6 over?

7 Q Say within a few days following.

8 A Yes.

9 Q What was that?

10 A Well the following day, or within a day or two
 11 after that I saw Mr. Altman who said that he had decided not
 12 to recuse himself for now.

13 Q Let me back up. At the end of the February 2nd
 14 meeting we've been discussing did Mr. Altman indicate any
 15 time frame for when you would make his decision?

16 A Not that I recall.

17 Q Did he say anything like I'll let you know and
 18 I'll get back to you?

19 A Well I thought he would get back to us at least
 20 on the formal ethics opinion issue. I assumed that we would
 21 hear something, that he had gotten an ethics opinion. I
 22 thought the next action item would be he would be getting a

1 formal ethics opinion and we would hear about the results of
2 that.

3 Q And that would be on the question of whether Mr.
4 Altman was required to recuse himself?

5 A Right. That's the action item. There were no
6 White House action items that came out of this meeting.

7 Q Were you aware of any telephone conversations
8 that Mr. Altman had with members of the White House staff on
9 February 2nd, 1994 following the meeting you've testified
10 about?

11 A No.

12 Q Were you aware of any telephone conversations
13 that Mr. Altman had with members of the White House staff on
14 February 3rd, 1994?

15 A Telephone conversations, no.

16 Q Did anyone ever tell you that Mr. McLarty called
17 Mr. Altman on February 2nd, 1994 following the meeting at
18 the White House?

19 A No.

20 Q You don't know anything about that?

21 A I don't know anything about that. I haven't heard
22 anything about that until you just said it.

1 Q Now you testified a few minutes ago about a
2 conversation that you were either part of or heard involving
3 Mr. Altman on February 3rd.

4 A Well 3rd or 4th. It was a day or two after.

5 Q Where did that conversation take place?

6 A Inside Ms. Williams' office.

7 Q At the White House?

8 A Yes.

9 Q Who was present during that conversation?

10 A The only people I remember being present were
11 myself, Mr. Ickes, Ms. Williams and Mr. Altman.

12 Q What about Jean Hanson?

13 A She was not there.

14 Q You're sure of that?

15 A I'm sure of that. Well I mean I'm as sure of
16 that as I can be. I hate to say I'm sure about anything. I
17 think that she was not there.

18 Q I'm sorry, who did you say was there. Mr. Altman
19 and ---

20 A Mr. Altman, Mr. Ickes, Ms. Williams and myself I
21 think.

22 Q What time of day was this gather?

1 A I don't know.

2 Q You don't know?

3 A I don't know.

4 Q And you're not sure whether it was the 3rd or 4th
5 of February?

6 A No.

7 Q But you know it was one of those two days?

8 A Well I think it was a day or two after the
9 February 2nd meeting, which is how I place it on the 3rd or
10 the 4th. If you told me it was the 5th, and I don't know
11 what day we're up to, but if you told me the 5th, I think it
12 was a day or two after the February 2nd meeting. If I had
13 to guess, it was the next day, but I don't have any way to
14 verify that.

15 Q Was this a scheduled meeting, a previously
16 scheduled meeting as far as you know?

17 A I don't remember why I was in Ms. Williams'
18 office. I don't remember that it was a previously scheduled
19 meeting with Mr. Altman.

20 Q Do you have any recollection of being paged or
21 beeped?

22 A No, not for this one.

1 Q Not for this one?

2 A Not for this one.

3 Q Were you there before Mr. Altman?

4 A Yes.

5 Q And you don't know why you were there?

6 A I don't remember why I was there.

7 Q Why don't you tell us what you remember of this
8 meeting.

9 A I would not call this a meeting. My recollection
10 is that Mr. Altman came to the door and, as I've said, Mr.
11 Ickes, Ms. Williams and I were in her office, that he opened
12 the door and he said I've decided not to recuse, and I can't
13 quite remember whether he said I've decided not to recuse or
14 I've decided not to recuse for now, and he turned and walked
15 out the door. I think this "meeting" last 10 seconds.
16 That's sort of my recollection.

17 Q Did Mr. Altman actually come into the room?

18 A I sort of remember he walked into the room, but
19 didn't sit down. But if you told me that somebody else
20 thought he stood in the doorway I wouldn't fight you about
21 it.

22 Q I'm not telling you anything.

1 A No, I understand.

2 Q You've told us that at least up to this point you
3 have no recollection of Ms. Hanson being present, and in
4 fact you think she was not.

5 A While Mr. Altman was there I think she was not.
6 She showed up right after he left.

7 Q Why don't you tell us about that.

8 A I'm fairly confident that when Mr. Altman made
9 this statement she was not there. That's my best
10 recollection.

11 Q Let's stick with the period of time then that Mr.
12 Altman was present and Ms. Hanson was not. Did anyone say
13 anything to Mr. Altman in response to his comment?

14 A I don't remember anybody saying anything. I
15 think he left.

16 Q Did anyone say anything within Ms. Williams'
17 office after Mr. Altman left?

18 A I think right after he left Ms. Hanson walked in.

19 Q Then what happened?

20 A Ms. Hanson walked in and said where is he, or
21 something. I mean it appeared to me that she had expected
22 to be there when he was there.

1 Q "He" being Mr. Altman?

2 A Mr. Altman. I think I said he just left.
3 Whether there was some conversation about what he said, I
4 don't really remember. The next thing I remember is Mr.
5 Ickes said to her something like how many people at the
6 White House know that you advised him to recuse himself.

7 MR. MURPHY: You said White House.

8 THE WITNESS: I'm sorry. Did I say White House?
9 At the Treasury Department know that you, Ms. Hanson,
10 advised Mr. Altman to recuse himself, and my best
11 recollection is that she said four or five and gave the
12 names.

13 BY MR. KRAVITZ:

14 Q Did Ms. Hanson tell Mr. Ickes that if asked she
15 would say that she had recommended to Mr. Altman that he
16 recuse himself?

17 A Not that I remember.

18 Q Did Mr. Ickes tell Ms. Hanson that it would be
19 better if that information did not get out?

20 A I don't remember him saying that, but I think
21 that was the import of his question. I don't actually
22 remember him saying that, but I think that's what he meant

1 by the question.

2 Q In other words, you interpreted what Mr. Ickes
3 said to mean that he thought it would be better if nobody
4 knew that Ms. Hanson had recommended recusal?

5 A The concern was leak. I mean what I was thinking
6 is that it was, you know, leaked that she had advised him to
7 recuse himself and he had decided not to, and I think Mr.
8 Ickes was asking what's the leak potential of this. That's
9 what I interpreted this question to be, and the more people
10 at Treasury who knew about it, the greater the likelihood
11 was that it would leak.

12 Q And that people would find out that Mr. Altman
13 was likely now to act inconsistent with the advise that he
14 had received from his General Counsel?

15 A Yes.

16 Q What was Mr. Ickes' tone of voice during this
17 conversation with Ms. Hanson?

18 A Normal for Mr. Ickes.

19 Q What does that mean?

20 A He's an intense guy.

21 Q Does he raise his voice a lot?

22 A I don't think he raised his voice in this

1 conversation.

2 Q Does he raise his voice a lot?

3 A No, not particularly. He's a very intense guy,
4 but I don't remember that he raised his voice in this
5 conversation.

6 Q Did Ms. Hanson then leave the room?

7 A I think I left, and then I don't know what
8 happened to everybody else.

9 Q So you're not aware of any conversations that
10 occurred in Ms. Williams' office after Ms. Hanson left?

11 A You said after Ms. Hanson left, and I think I
12 left before she left. The last thing I remember is this
13 dialogue back and forth about how many people know and her
14 saying four or five and then she gave the names, and I don't
15 think I knew who they were. So I don't particularly have
16 them in my head. I left. I think I left before Ms. Hanson
17 left, and if there was more conversation or she stayed, I
18 don't know.

19 Q Does giving this testimony refresh your memory as
20 to whether Ms. Hanson said if I'm asked I'm going to say
21 that I recommended that Mr. Altman recuse himself?

22 A No. I don't remember her saying that. Of course

1 if asked she would say that, but I don't remember it. I
2 don't regard that as being remarkable.

3 Q I'm sorry?

4 A I wouldn't regard that as particularly
5 remarkable.

6 Q You mean the fact that she would say that she
7 would tell the truth?

8 A Yes, but I don't remember her saying that. If
9 she said it after I left, I don't know. I don't remember
10 her saying that.

11 Q During the few days following this meeting, or
12 this conversation with Mr. Altman in Ms. Williams' office on
13 either February 3rd or 4th, 1994 did you have any
14 conversations with other White House officials about what
15 Mr. Altman said in Ms. Williams' office?

16 A I think at some point I mentioned to Mr. Nussbaum
17 that I heard Mr. Altman say that he wasn't going to recuse
18 himself.

19 Q For the time being?

20 A For the time being. Actually he didn't quite say
21 that, and I can't quite remember whether he said for now or
22 I'm not going to recuse myself.

1 Q Let me ask you about this. Your testimony is
2 that as of the entire meeting on February 2nd Mr. Altman
3 made it clear that he was undecided as to the question of
4 recusal, correct?

5 A Correct.

6 Q Didn't it seem odd that Mr. Altman would come
7 over to the White House and come into Ms. Williams' office
8 one or two days later just to say, hey, I'm still undecided
9 and I'm not going to recuse myself for the time being?

10 A I thought he decided.

11 Q Well how did you interpret what he meant? I mean
12 how did you interpret Mr. Altman's statement in Ms. Williams
13 office on the 3rd or the 4th of February when he said I'm
14 not going to recuse myself at this time?

15 A Just that.

16 Q I mean did you interpret that as a decision not
17 to recuse himself?

18 A Yes.

19 Q Was it your assumption that Mr. Altman had
20 received his ethical opinion from the appropriate ethics
21 officers?

22 A I don't know that I thought about that.

1 Q So you interpreted what Mr. Altman said on
2 February 3rd or 4th, whenever it was in Ms. Williams' office
3 as a change in his position or an advancement in his
4 position from the February 2nd meeting?

5 A Well I'll stick with change. I don't know what
6 you mean by advancement. Yes. I thought he was undecided
7 as of the February 2nd meeting, and that by February 3rd or
8 4th he had decided he was not going to recuse himself at
9 least at that time.

10 Q You told us that you then later had a
11 conversation with Mr. Nussbaum about the conversation with
12 Mr. Altman in Ms. Williams' office, correct?

13 A Yes. I mean I saw him a fair amount, and I just
14 said to him, you know, Altman has decided not to recuse
15 himself.

16 Q When was that conversation?

17 A I don't remember. I think it was in a day or
18 two.

19 Q Was anyone else present?

20 A I don't think so. I think it was in Bernie's
21 office.

22 Q What did Mr. Nussbaum say?

1 A I think he said I know. I think by then he had
2 heard it from somebody else.

3 Q Did Mr. Nussbaum express that he was pleased with
4 this decision?

5 A I don't think so. Decision made, matter over,
6 next problem.

7 Q To your knowledge, were you the first person to
8 inform Mr. Nussbaum?

9 MR. MURPHY: I think he just answered that.

10 THE WITNESS: No.

11 MR. KRAVITZ: I don't think he did.

12 THE WITNESS: Well I think I did, but you just
13 didn't catch it. I think Mr. Nussbaum already knew. I
14 think somebody had already informed him. I do not think I
15 was the first one to tell him, but I don't remember how long
16 it was after this conversation. I think it was maybe the
17 next day.

18 BY MR. KRAVITZ:

19 Q Did it ever come to your attention that Ms. Nolan
20 had in fact been contacted by the Ethics Officer at the
21 Treasury Department regarding the issue of recusal for Mr.
22 Altman?

1 A Yes.

2 Q How did that come to your attention?

3 A I remember Ms. Nolan mentioning it at a staff
4 meeting.

5 Q When was that in relation to the conversation
6 with Mr. Altman on February 3rd or 4th in Ms. Williams'
7 office?

8 A After, but I can't tell you how long after, day
9 or days.

10 Q Did it seem odd to you that Ms. Nolan would be
11 dealing with the ethical issue after a decision had already
12 been made?

13 A No.

14 Q What did you understand was going on if the
15 decision had already been made?

16 A Well I don't know that I really thought about it.
17 I mean I don't think I thought about it at the time. It may
18 have been just the next day before the Altman meeting, but I
19 don't remember thinking to myself this is odd. So maybe it
20 was just the very next morning after the February 2nd and
21 then the Altman thing happened the next day. I don't
22 remember thinking about this.

1 Q What did Ms. Nolan say at the White House
2 Counsel's Office staff meeting?

3 A I don't remember, something about I've been
4 contacted by Treasury about Altman or recusal or something.
5 I sort of knew about the issue because I had been at the
6 February 2nd meetings, and I can't really separate it. She
7 was raising an issue in the staff meeting that other people
8 on the staff didn't know about. I knew about the issue, and
9 I can't really separate out what she said because I already
10 knew. I knew what she was talking about. So I don't really
11 remember what it was she said.

12 Q Was there any conversation at the meeting, at the
13 White House Counsel's Office staff meeting about the
14 contacts between Mr. Foreman and Ms. Nolan?

15 A Not that I remember. She just raised I've gotten
16 a contact, or I've been contacted by the Treasury Ethics
17 Officer or something like that.

18 Q Were there any other staff meetings within the
19 White House Counsel's Office at which this issue was raised,
20 the issue of Mr. Altman's recusal?

21 A Well not before February 24th that I recall.

22 Q So Ms. Nolan only spoke about the ethical issues

1 related to the recusal at one staff meeting, to your
2 knowledge?

3 A That's all I remember.

4 Q What did Ms. Nolan indicate her involvement was
5 in the ethical issues?

6 A I don't remember. I mean I had an understanding
7 from the February 2nd meeting that she would talk to the
8 Treasury Ethics Official and try to come to the right answer
9 on, you know, whatever the ethical issues were, but I don't
10 remember what she said at the staff meeting.

11 Q By the time of the staff meeting did you have any
12 further thoughts about whether it was appropriate or proper
13 for a member of the White House Counsel's Office to be
14 consulted or involved with the recusal issue?

15 A I thought it was perfectly appropriate.

16 MR. KRAVITZ: Did you have something you wanted
17 to say?

18 MR. MURPHY: I was just going to say other than
19 what he previously testified to.

20 THE WITNESS: I mean they were just trying to get
21 the right answer, and if he had to recuse himself he would,
22 and she's a very tough Ethics Official.

1 MR. KRAVITZ: Who?

2 THE WITNESS: Ms. Nolan, and if she concluded the
3 other way she would say it.

4 BY MR. KRAVITZ:

5 Q Between February 3rd or 4th, whatever the date
6 was that you had that conversation with Mr. Altman, and
7 February 18th, 1994 are you aware of any contacts between
8 White House officials and Treasury or RTC officials relating
9 to the recusal issue?

10 A No, I'm not, not that I recall.

11 Q And as far as you can recall, there were no
12 conversations at the White House Counsel's Office staff
13 meetings about the recusal issue during that time period,
14 except for the one that you've testified to involving Ms.
15 Nolan?

16 A Right.

17 Q Were there any other meetings within the White
18 House during that time period related to the subject of Mr.
19 Altman's recusal that you know about?

20 A The only sort of specific meeting I remember on
21 this subject, but I don't remember if it was before or after
22 February 2nd, was a meeting at which Mr. Stephanopoulos

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1 expressed his view that this was a press issue that wasn't
2 worth the effort and Altman should just recuse himself.

3 Q I'm sorry, can you tell me about that.

4 A Yes. I mean I told you earlier that there were
5 sort of two views in the White House, sort of this
6 institutional view and a press view that this was a problem.
7 I remember a specific meeting at which Mr. Stephanopoulos
8 articulated his view that Mr. Altman should just recuse
9 himself, that sort of the press hit wasn't worth it and it
10 wasn't worth giving political opponents in the House and the
11 Senate an issue and he should just recuse himself.

12 Q And you don't remember when Mr. Stephanopoulos
13 made this remark?

14 A No, I don't.

15 Q Who was present when he made this comment?

16 A I think obviously I was present, I think Ms.
17 Williams was present, Mr. Stephanopoulos and I don't
18 remember who else.

19 Q Do you remember what anyone said in response?

20 A No.

21 Q In any of the meetings you attended within the
22 White House and conversations you heard within the White

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1 House relating to the subject of recusal did anyone say
2 anything that indicated that they thought that the Clinton's
3 would be better off if Mr. Altman decided not to recuse
4 himself?

5 A Personally?

6 Q Either personally or in their capacity as
7 President and First Lady.

8 A Well there was this view that I articulated
9 earlier that it was not good government for people to be
10 recusing themselves only because they got political heat and
11 that that would have an impact sort of on the running of the
12 government, and that if suddenly Ricki Taggart had to recuse
13 herself, if Altman was going to recuse himself, and whoever
14 replaced Altman was going to have to recuse themselves, I
15 mean you could foresee a scenario.

16 Q Why is that?

17 A Because it was likely that somebody would get up
18 on the Hill and say merely because they're a Presidential
19 appointee they should recuse themselves. Jamie Gorelick at
20 the time had been nominated, and the issue was is there
21 going to be some pressure for her to recuse herself. This
22 is us looking forward at the time. There was sort of is

1 this going to be a big domino now and is this going to be
 2 the issue in every confirmation that everybody is just going
 3 to have to recuse themselves on any issue involving the
 4 President in any fashion, and is this sort of what's coming
 5 down the line if Mr. Altman recuses himself because of
 6 political pressure and not because there is an ethical
 7 obligation to do so. So, yes, I mean that was a view that
 8 was expressed by people, including Mr. Nussbaum.

9 But personally I don't remember people expressing
 10 a personal view that somehow they would be better off in the
 11 litigation or something.

12 Q Did anyone during any of the meetings you
 13 attended at the White House or any of the conversations you
 14 heard at the White House state a concern that by Mr. Altman
 15 recusing himself the matter would be left to Ms. Kulka and
 16 Mr. Ryan, and when I say anyone, I mean other than Mr.
 17 Nussbaum, as you've already testified?

18 A I don't remember anybody. Sort of the fact that
 19 Mr. Nussbaum had this opinion about Ms. Kulka was an issue
 20 that was pretty much, as I remember, unique to Mr. Nussbaum,
 21 and Mr. Nussbaum did not have a view on Mr. Ryan. He had no
 22 experience with Mr. Ryan and had no similar view, and as far

1 as he knew was perfectly capable civil servant.

2 Q Did Mr. Nussbaum ever express in your presence a
 3 concern that if Mr. Altman recused himself this decision
 4 would be left in the hands of someone he wasn't familiar
 5 with, specifically Mr. Ryan?

6 A No, not that I recall.

7 Q No concern relating to his lack of familiarity
 8 with Mr. Ryan?

9 A No, I don't think so, not that I recall. I don't
 10 think that was an issue.

11 Q Did you become aware at some point in mid-
 12 February 1994 that Congress had enacted legislation that was
 13 going to extend the Statute of Limitations for civil
 14 matters, including Madison, to December 31, 1995?

15 A Yes.

16 Q Did the White House take a position on that
 17 legislation, to your knowledge?

18 A I don't know.

19 Q You weren't involved in the White House taking
 20 any position?

21 A On that legislation, no.

22 Q What was the reaction at the White House to that

1 legislation being passed, to your knowledge?

2 A I don't remember a reaction. I remember sort of
3 following the issue as it was going forward. As I recall,
4 Senator D'Amato wanted the extension only as to Madison and
5 that there had been some maneuvering such that it was
6 extended as to all outstanding matters. I sort of remember
7 following that. It was all, sort of all on C-Span and sort
8 of played out in public. So it ultimately then was not
9 extended only as to Madison, but as to any person involved
10 in a matter taken over by the RTC. I don't remember any
11 particular reaction around the White House about the issue.

12 I mean it probably goes without saying, and I
13 know your position is that everybody is a grunt who comes in
14 here, but ---

15 MR. KRAVITZ: That's not my position. That's the
16 position of people who come in.

17 THE WITNESS: I understand, but on all these
18 issues where you asked me what the White House position is,
19 all I can tell you, and I know this goes without saying, is
20 what I heard or saw. I mean on all these it could be that
21 others at the White House are talking about all this, but
22 it's not within my area. You know, I don't go to the senior

1 staff meetings. So I don't want to give you a
2 misimpression, and if I say to you the White House wasn't
3 concerned about it, all I can say is that as far as I know
4 the White House wasn't concerned about it, but I don't know
5 what other people are saying to each other.

6 Q Did the enactment of this legislation in February
7 1994 extending the Statute of Limitations to December 31,
8 1995 affect your thinking in any way on the subject of
9 whether Mr. Altman should recuse himself?

10 A I don't think so.

11 Q Were there discussions at the White House in
12 February 1994 ---

13 A Could I correct that answer?

14 Q Sure.

15 A It appeared pretty clear to me that Mr. Altman
16 was not going to be the decision-maker.

17 Q Even if he did not recuse himself?

18 A Yes, even if he didn't recuse himself he was no
19 longer going to be a decision-maker. I mean it appeared to
20 me it was unlikely that they were going to adhere to the
21 February 28th deadline any more because it was no longer a
22 deadline.

1 Q What did you know about the extent of Mr.
2 Altman's term as interim CEO at the RTC?

3 A At some point, and I think not as of February the
4 11th or 12th or whenever it was that that legislation was
5 passed, but at some point I learned that his term expired in
6 March 1994.

7 Q What was going on at the White House, to your
8 knowledge, in terms of coming up with someone to replace Mr.
9 Altman as a permanent CEO at the RTC during February of
10 1994, if anything?

11 A Well I think that we had somebody that who was
12 sort of at the early stages of the process.

13 Q Do you know what happened to that nomination?

14 A I don't. I mean obviously they were not
15 nominated.

16 Q I guess I misspoke when I called it a nomination.
17 Do you know who that person was?

18 A Larry something or other.

19 Q Was it Larry Simon?

20 A Maybe. I don't know. I didn't have anything to
21 do with this. It may have been Larry Simon.

22 Q Were there any discussions among White House

1 staff, to your knowledge, as to whether there was any way to
2 extend Mr. Altman's position as interim CEO past March 30th
3 consistent with the Vacancies Act?

4 A I remember some discussion about if we got a
5 nominee in place before Mr. Altman, before his appointment
6 expired if we got a nominee nominated that Mr. Altman could
7 stay in his position until that person was confirmed. I
8 have no idea if that's true.

9 Q Even if that extended past March 30?

10 A I think so.

11 Q To your knowledge, was an effort made to come up
12 with a nominee for the purpose of extending Mr. Altman's
13 tenure as interim CEO at the RTC?

14 A I don't think so. I mean I don't know the status
15 of whoever we had as of February, and the notion that we
16 would be done with the vetting process by the end of March
17 would be pretty unlikely it seems to me.

18 Q Was it your understanding that Ms. Kulka was the
19 permanent General Counsel at the RTC as of January/February
20 1994 as opposed to being a temporary position as Mr. Altman
21 and Mr. Ryan were?

22 A I don't think I had an opinion about that. I

1 think I assumed that Ryan and Kulka were both permanent, but
2 I didn't apply my brain to it.

3 Q To your knowledge, did the White House consider
4 at any time in January or February of 1994 coming up with
5 someone to replace Ellen Kulka as General Counsel at the
6 RTC?

7 A Not to my knowledge.

8 Q What about in March of 1994, to your knowledge,
9 did the White House try to come up with anyone to replace
10 Ms. Kulka as General Counsel?

11 A Not that I know of. I mean I told you I had read
12 this article about her in Legal Times and whatever that said
13 about her I guess I knew, but I think my current thought was
14 that she was permanent.

15 Q Did you have a telephone conversation with Jean
16 Hanson on February 18th, 1994 relating to the scheduling of
17 the RTC Oversight Board hearing?

18 A I think I had a conversation with her the week
19 before the week of the hearings. I can't place it on the
20 18th.

21 Q The week before the hearings?

22 MR. MURPHY: The week of the 14th.

1 THE WITNESS: The week of the 14th. I think I
2 talked to her that week.

3 BY MR. KRAVITZ:

4 Q And what was the content of that conversation?

5 A Well my best recollection, and I don't really
6 remember this conversation, but I think I called her -- what
7 day of the week is the 18th?

8 MR. MURPHY: Friday.

9 THE WITNESS: Friday is the day that I think the
10 hearing got scheduled for the following Thursday. I think
11 that happened on Friday, and I think I called her to find
12 out who would testify at the hearing. I remember calling
13 somebody and finding out who was going to testify at these
14 hearings, and I think I talked to Ms. Hanson.

15 Q So you called to find out who were going to be
16 the witnesses?

17 A Yes.

18 Q And what were you told?

19 A I knew that the witnesses were going to be the
20 Oversight Board, the Thrift Protection Oversight Board, but
21 I didn't know who they were, and I don't think this time I
22 had bothered to go to the statute to find out who they were.

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1 and if I had I wouldn't have know what names attached to
2 them. My best recollection is I called her to find out who
3 were the witnesses at this thing.

4 Q Why was that something that you wanted to know?

5 A Well this was a significant hearing and I wanted
6 to know who the witnesses were going to be.

7 Q Significant to who?

8 A Significant to the White House.

9 Q Were you like the point person on the White House
10 staff for preparation for the Oversight Board hearings?

11 A I was not the point person, but I was part of a
12 group that was involved in it.

13 Q Who else was part of that group?

14 A The point person at that time was probably John
15 Podesta, and I really assisted Podesta.

16 Q Who else was part of that group?

17 A His Deputy, Todd Stern, and when I say his in
18 that sentence, I mean John's Deputy, Todd Stern. I think
19 that's pretty much it.

20 Q It was you, Mr. Podesta and Mr. Stern?

21 A Yes. I mean at the time we didn't know what
22 these hearings were going to be. There was an issue about

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1 whether the Republicans were going to assert their rights
2 under Rule 11 and call their own witnesses. I mean the
3 shape of these hearings was pretty uncertain I thought.

4 Q What was the concern about the Republicans?

5 A Well it wasn't a concern. I think as of this
6 date it was uncertain what this hearing was going to be,
7 that it was an RTC oversight hearing and this Board was
8 going to testify. There is a provision in the Senate rules
9 for the Minority to have a day of its own witnesses as long
10 as they're germane to the topic. I think at the time we
11 didn't know whether Jim McDougal was going to be testifying
12 at this hearing. Nobody really knew what was going to be
13 happening. It was a significant hearing for our purposes,
14 and we wanted to know at least who the official witnesses
15 were going to be.

16 Q What did Ms. Hanson tell you of the official
17 witnesses?

18 A Well I think I got this from Ms. Hanson. I mean
19 my best recollection is I got it from Ms. Hanson, and she
20 told me the people who ended up being up there, the head of
21 the FDIC, Mr. Hove, the head of the OTS, Mr. Fiechter, Ms.
22 Ford I guess who is the head of the Board, Mr. Greenspan,

1 Mr. Bentsen and Mr. Altman. That's all I remember.

2 Q What did you do other than contact Ms. Hanson or
3 whoever it was you contacted to find out the witness list in
4 preparation for the February 24th Oversight Board hearing?

5 A I mean I'm a little reluctant to tell you what
6 relates to sort of contacts with anybody. I think we had a
7 meeting with Mike Levy.

8 MR. KRAVITZ: That's not what my question was.
9 Would you read the question back.

10 I mean if you're going to exert Executive
11 Privilege when the White House has turned over hundreds of
12 pages of documents relating to these issues and this time
13 period, I mean I think that assertion would be
14 inappropriate.

15 MR. MURPHY: I don't know what the White House
16 has turned over to you about this process.

17 Read the question back and then I'll talk.

18 (The pending question was read by the reporter.)

19 MR. MURPHY: It's not my understanding that that
20 question relates to the scope of the hearings as set forth
21 in the Resolution, and I don't have a clear understanding
22 from the White House that Mr. Eggleston is permitted to

1 testify about what he and other members of the White House
2 staff do to prepare for Congressional hearings or any
3 specific Congressional hearing. It seems to me that those
4 kinds of things may be subject to the claim of Executive
5 Privilege.

6 Now, Mr. Kravitz, you have indicated to me that
7 the White House has turned over a whole lot of documents
8 about that subject. I don't know that to be the case. I
9 mean maybe they have and maybe they haven't. I just don't
10 know that. So it puts me in an awkward position in terms of
11 the advising Mr. Eggleston about whether or not he should
12 talk about the subject of what he and other members of the
13 White House staff did to prepare for the oversight hearings
14 other than any contacts that the White House staff had with
15 officials of the Treasury Department or the RTC about the
16 hearings.

17 MR. KRAVITZ: Let me just make sure that we've
18 got this straight. Your only objection then is as to a
19 possible Executive Privilege and not as to scope? I mean
20 you've previously made objections as to the scope of the
21 questioning in light of the Senate Resolution. I don't hear
22 you making that objection here, and I just want to make sure

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1 that your objection is clear on the record.

2 MR. MURPHY: Well if you want to make it clear, I
3 don't think it's within the scope either. My understanding
4 is, so you're clear, is that Executive Privilege has been
5 waived with respect to the matters that are within the scope
6 of the Senate Resolution. That's my understanding. So if
7 you're beyond the scope of the resolution, then you're into
8 an area where there is a potential claim of Executive
9 Privilege. So I think that whenever that objection is
10 raised it relates to both issues.

11 MR. KRAVITZ: Clearly anything that was going on
12 at the White House in preparation for the February 24th
13 hearing is within the scope of this Resolution. I mean
14 there is ample evidence in the record, and I know that Mr.
15 Eggleston will testify himself about communications that he
16 had with Treasury officials in preparation for the February
17 24th hearing.

18 MR. MURPHY: Right.

19 MR. KRAVITZ: I mean certainly anything that went
20 on at the White House that could have contributed to
21 whatever statements Mr. Eggleston or others at the White
22 House made in the context of their later contacts with

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1 Treasury and RTC officials is relevant and within the scope
2 of this Resolution.

3 MR. MURPHY: I don't necessarily agree with that.

4 MR. KRAVITZ: Does Minority Counsel agreement
5 with me?

6 MR. MURPHY: I don't really care whether he does
7 or he doesn't.

8 MR. KRAVITZ: You have to care because if we
9 agree then that's certainly what the Senators are going to
10 agree as to what the scope of the Resolution means with
11 regard to this deposition.

12 MR. MURPHY: Then the White House can reach a
13 conclusion as to whether or not it believes that Executive
14 Privilege should be waived on that matter, but I'm not aware
15 that the White House has made that conclusion, and I don't
16 waive for the White House and neither does Mr. Eggleston.

17 THE WITNESS: And you don't have White House
18 counsel here to help on this. I'm counsel to the President,
19 and I don't know what agreements have been reached about all
20 this, and I do not have the power to waive Executive
21 Privilege as to areas I don't know that it has been clearly
22 done. I just can't do it.

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1 MR. BRAUNREUTHER: I want to state the Minority
2 position. I understand what you're saying, and we don't
3 want you to do something that you feel uncomfortable with.
4 I just want to make sure that we are going as far as you
5 believe we can go so that we are up against the objection so
6 that we can have an agreement to disagree about how far we
7 can go and take it to the appropriate authorities in your
8 office, perhaps Mr. Cutler, and for us Mr. Chertoff and Mr.
9 Codinha.

10 And if I understand it, it is your intention to
11 object at this point, based on what you know, subject to
12 what Mr. Cutler may say or someone else at the White House,
13 to any questions regarding the contribution the White House
14 may have made to the questions and answers which were going
15 to be posed at the February 24th hearing.

16 MR. MURPHY: No, that's not right. That's not
17 what we're saying.

18 MR. BRAUNREUTHER: Well let me finish my
19 statement because all I would like to do is make sure we
20 know where the boundaries are so that we can report back and
21 have this issue resolved by the people who ultimately have
22 to resolve the issues.

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1 THE WITNESS: These hearings were going to be
2 about a lot more than Roger Altman and what he said at the
3 White House. Jim McDougal might testify. In the beginning,
4 and particularly earlier on we didn't know what these
5 hearings were going to be. As far as we knew, there were
6 going to be all sorts of underlying Whitewater people.

7 If you're asking me an open-ended question, which
8 I thought you did about everything we did to get ready,
9 you're going to ask me to dump that stuff, and I don't think
10 we've waived as to whatever we might have done on those
11 kinds of issues. Anything related to the contacts that we
12 did I'm perfectly willing and anxious to tell you about.

13 So I just want to make it clear that anything
14 that we did in communications that you're going to ask me
15 about with others about the contacts and all that kind of
16 stuff, I'm here to tell you all about it. But this wasn't
17 going to be a hearing. This wasn't set up as a hearing
18 about Roger Altman's contacts with the White House. It was
19 set up to be a much broader hearing than that. So there are
20 other issues. But, anyway, contacts I'm happy to answer.

21 MR. MURPHY: Can we take a break?

22 MR. KRAVITZ: Yes. Why don't we take a five-

1 minute break.

(Recess taken from 5:58 p.m. to 6:07 p.m.)

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1 EVENING SESSION - 6:07 p.m.

2 MR. KRAVITZ: What I think makes the most sense

3 for how to proceed on this question that we've been
4 discussing is I agree with you that we're not interested in
5 your telling us about the substance of the Madison
6 investigation and the substance of the matters underlying
7 the Madison investigation if to answer our question fully
8 and truthfully you would have to provide us that
9 information. Why don't you just understand that when I ask
10 you the question of what you did between the 18th of
11 February and the 24th to prepare for the hearing that I
12 don't want you to tell us information that you think is
13 privileged in some way.

14 THE WITNESS: That sounds fair.

15 MR. MURPHY: That's fine.

16 MR. KRAVITZ: And if you could just tell us that
17 you're omitting information from your answer for reasons of
18 privilege that would probably be helpful so that no one can
19 later say that your answer was incomplete for no reason.

20 THE WITNESS: Okay. So then what did we do.
21 Well sometime either the week of the 14th or early the
22 following week there was a meeting. As I said, Mr. Podesta

1 was sort of in charge and actually he's probably a better
2 person to pose this question to about what steps were taken
3 than to me. I do remember meeting once with Mr. Levy, who
4 is in Legislative Affairs at the Treasury Department.

5 Q Was that a face-to-face meeting?

6 A Yes, in Mr. Podesta's office, which was also sort
7 of about the mechanics of the hearing and who would testify
8 and what other issues may be brought out and issues about
9 germaneness because, as I said before, this hearing is
10 important today for what Mr. Altman said about the meeting
11 with the President. It was not before February 24th. That
12 was not an area that was dominating everybody's thought. It
13 was going to be on the other issues that actually dominated
14 almost all the attention at the hearing. I mean you've read
15 it and it's on the Rose law firm conflict issue and it was
16 on the Lasater conflict issue.

17 I mean the hearing, once we learned, or I don't
18 know if we ever learned, but once it appeared that the
19 Minority had not requested a day of witnesses of its own,
20 then we didn't focus so much on the possibility that a
21 McDougal or somebody might testify, but more on those kinds
22 of issues about what was going to happen.

1 I think the week before the hearing or maybe even
2 earlier was when the FDIC and the RTC came out with their
3 opinions on the conflict issue, I mean publicly released
4 their opinions. There had been something in the news media
5 about where the FDIC had made an oral comment about there
6 had been a finding of no conflict with regard to the Rose
7 law firm representation and the Lasater matter. We were
8 actually spending most of our time on those kinds of issues,
9 but we did spend some time on this other issue, as you'll no
10 doubt ask me.

11 Q During the meeting with Mr. Levy from the
12 Treasury Department was there any discussion relating to how
13 the fact that there had been White House/Treasury contacts
14 should be addressed at the February 24th hearing?

15 A I don't think so. I think that we were talking
16 about issues like how is this going to play out, who is
17 going to ask what questions, who is interested in this and
18 which of the Minority are going to be actively involved and
19 which aren't. I think it was more of a mechanics meeting.

20 Q What about the subject of how to address the
21 issue of recusal?

22 A I do not remember that that came up when we met

1 with Mr. Levy.

2 Q Did you have any conversations with anyone else
3 from the Treasury Department, other than Mr. Levy, during
4 this time period in preparation for the February 24th
5 hearing?

6 A The week of the hearing I had a conversation with
7 Ms. Hanson. I don't remember which day it was.

8 Q One conversation?

9 A That's all I remember.

10 Q Did you call her?

11 A Yes.

12 Q What was the purpose of your telephone call to
13 Ms. Hanson?

14 A I called to make sure that Mr. Altman was ready
15 to testify about the February 2nd meeting.

16 Q Why was that something that you were calling Ms.
17 Hanson about?

18 A My recollection is that I had had a conversation
19 with Mr. Ickes about it.

20 Q Can you tell us about that conversation?

21 A Remember I was concerned as long ago as the
22 February 2nd meeting that this was a matter that was going

1 to be unfairly manipulated, or that I feared might be
2 unfairly manipulated. I don't really remember my
3 conversation with Mr. Ickes, but I remember out of it Mr.
4 Ickes agreed that I should call Ms. Hanson and make sure
5 that Mr. Altman was prepared to testify about the February
6 2nd meeting.

7 Q Did you have any reason to believe that Ms.
8 Hanson might be testifying at the hearing?

9 A No. It was my understanding that she was not
10 testifying at the hearing. I had gotten, I think from Ms.
11 Hanson, but from somebody I had gotten the witness list, and
12 it was my understanding that she was not going to be
13 testifying.

14 Q What was the conversation that you had with Ms.
15 Hanson during the week of the hearings?

16 A I can't give it to you word for word, but I
17 generally remember that I called her and said that I hoped
18 that Mr. Altman was prepared or you had gotten him prepared
19 or something to testify about the February 2nd meeting at
20 the White House. She said yes, and then reviewed with me
21 sort of generally what he was going to say.

22 Q Did Ms. Hanson actually read to you a prepared Q

1 and A on the subject of the February 2nd meeting?

2 A I don't know that she did. She didn't tell me
3 she was reading to me from a Q and A, or let me put it this
4 way, I don't remember her telling me. I remember her
5 telling me generally what he was going to say.

6 Q Did the White House participate in the
7 preparation or review of Qs and As for any of the witnesses
8 who were going to testify at the February 24th hearing?

9 A Not that I know of. It's possible that we had
10 gotten some materials from other witnesses, but I hadn't
11 seen them.

12 Q To the best of your memory, what did Ms. Hanson
13 tell you that Mr. Altman was going to say on the subject of
14 White House/Treasury contacts related to Madison?

15 A That's not the question I asked her.

16 Q What was the question?

17 A What I said is I hope he's ready to testify about
18 the February 2nd meeting, and she told me what he was going
19 to say. I mean it turns out there were more contacts than
20 the February 2nd meeting. I was asking about the February
21 2nd meeting.

22 Q Why were you asking about that meeting in

1 particular?

2 A That's the meeting I was concerned with.

3 Q Why didn't you ask about the earlier meetings as
4 well?

5 A Well the February 2nd meeting was the one that I
6 thought would get unfairly portrayed. I didn't know
7 anything particularly about the September 29th meeting. I
8 was not part of it. So that really wasn't particularly in
9 my scope. The October 14th meeting seemed to me to be
10 completely innocuous. As I said before, from the time of
11 the meeting I was afraid that somebody could twist the
12 February 2nd meeting, and so I wanted to make sure that he
13 was prepared to testify.

14 Q What did Ms. Hanson tell you?

15 A As best I remember, she said that he was going to
16 testify about what happened at this meeting, that he had
17 told us about the procedures for bringing the action, that
18 he would testify that he had told us about the timing and
19 that we had discussed recusal.

20 Q What was your response?

21 A Fine.

22 Q Did you ask Ms. Hanson what Mr. Altman was

1 prepared to say about those subjects?

2 A No, I did not. It was not my intention to have,
3 and in fact it was my specific intention not to have the
4 White House clear an answer. That was not what I wanted to
5 do. I didn't even ask her to tell me what he was going to
6 say. I think she just told me what he was going to say. I
7 just wanted them to be aware that at least in my judgment he
8 was going to get asked this question and that he should be
9 ready to answer it. So I was not clearing and, as I recall,
10 we didn't have a substantive discussion about whether it was
11 answered right or wrong or something like that. I just
12 remember her generally telling these are the subjects that
13 were being discussed and I said fine.

14 Q I'm going to show you what has been marked as No.
15 002070. These are documents that we received from the RTC.
16 It's a question and an answer, and other testimony has
17 indicated that this question and this answer were prepared
18 in preparation for the February 24th hearing.

19 MR. MURPHY: By Ms. Hanson? Prepared by Ms.
20 Hanson?

21 MR. KRAVITZ: No, just prepared.

22 MR. MURPHY: Just prepared.

1 MR. KRAVITZ: I would just ask you to take a look
2 at it and tell us if at least in substance, if not in exact
3 language, this is the information that Ms. Hanson told you
4 over the telephone Mr. Altman was intending to testify to at
5 the February 24 hearing.

6 (Witness reviews document.)

7 THE WITNESS: It's not my recollection that she
8 read this to me. This is more words than I remember getting
9 from her. This is generally what I remember her saying.
10 This covers the three issues that I remember her telling me.
11 I don't think she read this to me.

12 BY MR. KRAVITZ:

13 Q So your memory is that in substance page 2070 is
14 consistent with what Ms. Hanson said to you over the
15 telephone?

16 A Yes.

17 Q But you don't think that the actual words are
18 exactly the same?

19 A Yes, because my best current recollection is that
20 she summarized this. I don't think she said the thing about
21 requested the meeting with Mr. Nussbaum. I think she told
22 me about procedural reasons, the Statute of Limitations,

1 which is the next issue, and then recusal. I really think
 2 that she just summarized those. My recollection is that she
 3 just summarized those three things for me. So I think what
 4 she told me is encompassed within here, but I don't think
 5 she read this to me. That's my best recollection.

6 Q What was your response to what Ms. Hanson told
 7 you over the telephone?

8 A I said fine. I mean I've sort of answered that,
 9 but again I affirmatively did not want to be in a position
 10 where she would say that she cleared the testimony through
 11 the White House. It's his testimony and I just wanted to
 12 make sure he was prepared to testify about it. So I did not
 13 engage her on what she should say or not say or how it
 14 should be said.

15 Q Why didn't you want to be in a position of making
 16 it look as if Ms. Hanson cleared the testimony through the
 17 White House?

18 A It's his testimony, and we don't typically clear,
 19 you know, we wouldn't clear somebody's testimony. I didn't
 20 intend to clear the testimony. I just wanted to make sure
 21 that they had thought through the fact that he was going to
 22 get asked this question and he should be ready to give an

1 answer.

2 Q Did you ask Ms. Hanson what Mr. Altman was going
 3 to say on this question?

4 A I don't think I did. I think I just said I hope
 5 he's ready to testify about the February 2nd meeting, and
 6 she said yes, he's going to testify to the following.
 7 That's my recollection.

8 Q So your recollection is that Ms. Hanson really
 9 just volunteered the actual substance of what Mr. Altman was
 10 going to testify on the subjects here.

11 A Well I don't want to overstate the degree of my
 12 recollection of this conversation. The reason I made this
 13 call was to tell her that he was probably going to get the
 14 question and he should be prepared to give an answer.

15 Q Were you or others at the White House concerned
 16 about what Mr. Altman might say about the February 2nd
 17 meeting if asked?

18 A Yes.

19 Q What were you concerned Mr. Altman might say?

20 A Well I wanted him to testify fully about the
 21 meeting.

22 Q Why?

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1 A Because it was going to be a political hit and I
2 just wanted him to tell what happened at the meeting. My
3 concern was that he testify fully about what happened at
4 this meeting. That's what I wanted to accomplish, and I
5 think that's what Mr. Ickes wanted, and I think that's the
6 import of our conversation.

7 Q Were you concerned that testimony about the
8 February 2nd meeting might make it appear as if Mr. Altmar
9 was pressured into not recusing himself?

10 A No. All I thought was that when this came out it
11 was going to be attacked, and I thought it was important
12 that he testify fully about the meeting.

13 Q Was there something about partial testimony that
14 concerned you? I don't understand the emphasis on
15 testifying fully about the meeting and why that was
16 important to you.

17 A No, I just thought he should tell what happened
18 at the meeting. I didn't mean to emphasize fully. I just
19 meant I thought he should testify to what happened at the
20 meeting and take our hit.

21 (Witness and his counsel confer.)

22 Q Did you want to add anything?

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1 A No.

2 Q You've testified that you didn't want Ms. Hanson
3 or anyone else to say that testimony had been cleared by the
4 White House. Were you aware of the fact that Qs and As
5 prepared by the Treasury Department and the RTC in
6 preparation for the February 24 hearing were sent to the
7 White House before the hearing?

8 A I don't remember whether I was aware of it before
9 the hearing. I'm not sure where your before the hearing
10 fits. I was aware at sometime that we got them, but I'm not
11 sure I knew it before the hearing.

12 Q At some point you became aware that before the
13 February 24th hearing Qs and As from the Treasury Department
14 and the RTC had been sent to the White House?

15 A Yes.

16 Q Do you know what was done with those Qs and As
17 before February 24th?

18 A I don't.

19 Q Did you see any of the Qs and As at the White
20 House before February 24th?

21 A I don't think I did.

22 Q Did you become familiar with any of the Qs and As

1 other than information that Ms. Hanson provided to you over
2 the telephone about that one question?

3 A No.

4 Q Do you know whether there were any contacts
5 between White House officials and Treasury officials other
6 than your telephone conversation with Ms. Hanson during the
7 week of the hearings?

8 A Do I know whether there were any contacts between
9 White House officials and Treasury officials?

10 Q Relating to the February 24th hearing.

11 A I don't know. I don't really know. I assume
12 Podesta was in contact with people, but I don't know. I was
13 not in any other contact.

14 Q Are you aware of a conversation that Mr. Ickes
15 had with Mr. Altman on February 23rd?

16 A No.

17 Q You said you assume that Mr. Podesta had
18 contacts, but is it your testimony that you don't know for a
19 fact whether Mr. Podesta had additional contacts?

20 A I just don't remember. I mean we were getting
21 ready for a hearing, and I don't remember.

22 Q Did you attend the Senate hearing on February

1 24th?

2 A Yes.

3 Q Who else from the White House staff attended, if
4 anyone?

5 A I think a legislative affairs guys might have
6 been there, but he hadn't been involved. He was just there
7 because he's a Senate legislative affairs guy. He had not
8 been involved at all in any fashion in the hearings. Other
9 than myself, who were sort of involved in the hearing
10 process, there was no one else.

11 Q Do you remember whether Mr. Altman was asked a
12 question about Treasury/White House contacts during the
13 February 24th hearing?

14 A Yes.

15 Q Do you remember whether in Mr. Altman's answer he
16 said anything about the discussion relating to the recusal
17 issue that took place on February 2nd?

18 A My recollection of what he said, and there is a
19 transcript obviously, what he said is that he discussed with
20 the White House the procedures. That's what I remember him
21 saying.

22 Q Do you know whether there was any contact between

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1 any White House officials and Mr. Altman before the February
2 24th hearing in which anyone suggested to Mr. Altman that he
3 should not testify about the recusal discussion that
4 occurred on February 2nd at the White House?

5 A No. The only communication I know on this
6 subject was mine to Ms. Hanson where I understood that he
7 would testify about the recusal issue.

8 Q Were you concerned in any way about the accuracy
9 of any part of Mr. Altman's testimony when you heard it on
10 February 24th?

11 A I was concerned about his testimony.

12 Q What were your concerns?

13 A I was concerned that he had not mentioned
14 explicitly the recusal issue.

15 Q In the context of the February 2nd meeting?

16 A Yes.

17 Q What did you do, if anything, about your concern?

18 A I went out into the hallway and called back to
19 Mr. Podesta's office.

20 Q What did you tell Mr. Podesta?

21 A I think I didn't get Mr. Podesta actually. I
22 think I got Mr. Stern.

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1 Q What did you tell Mr. Stern?

2 A That he had testified about the meeting, but had
3 not testified about the recusal issue.

4 Q Do you know what came of your report in this
5 regard?

6 MR. MURPHY: What came of your report?

7 BY MR. KRAVITZ:

8 Q Did anything happen at the White House following
9 your telephone conversation with Mr. Stern?

10 A Eventually lots.

11 Q Why don't you tell us about that.

12 A It's sort of a long story.

13 MR. MURPHY: It goes over several days.

14 THE WITNESS: It's now a several-day story. I'm
15 happy to tell it.

16 MR. KRAVITZ: Okay, why don't you go ahead.

17 THE WITNESS: Well it's not all that long
18 actually. I mean I was concerned that he had not testified
19 about recusal and, like everything else, I was assumed that
20 it would come out eventually, and like it did eventually,
21 two weeks later it came out in the newspaper, that there
22 would be a leak and this would just be an extending story.

1 That was my concern before really, which is let's get it all
 2 out, let's tell the story, take our hit and get this over
 3 with. That was sort of my general sense of this.

4 So I was concerned that he had not explicitly
 5 testified about the recusal because I assumed that what
 6 would happen was that at some point in the next couple of
 7 weeks that that part of the story would leak and then the
 8 story would keep going and going and going, and I thought
 9 that that was not politically good for the White House.

10 Over the weekend I spoke to Mr. Nussbaum about
 11 it. Mr. Nussbaum was out of the country actually. He was
 12 in Mexico at a Federal Bar Association meeting. Then it was
 13 really early the next week, and I don't think we started
 14 this on Friday, although we might have, but early the next
 15 week there began sort of a series of meetings in the White
 16 House to discuss what, if anything, the White House had an
 17 obligation to do about, obligation or should do, even if not
 18 an obligation, to do about Mr. Altman's testimony.

19 BY MR. KRAVITZ:

20 Q Now you've mentioned that you had concerns about
 21 the fact that Mr. Altman had not said anything about the
 22 recusal discussion during the February 2nd meeting.

1 A Right.

2 Q Were there also concerns expressed within the
 3 White House following Mr. Altman's February 24th testimony
 4 about omissions that he may or may not have made relating to
 5 additional White House/Treasury contacts?

6 A Yes.

7 Q Tell us about those concerns and how they were
 8 expressed.

9 A It's my recollection that Mr. Sloan who had
 10 actually been at both the September 29th and the October
 11 14th meetings focused on that. I was more focused on the
 12 February 2nd contact. Mr. Sloan, who had not been at the
 13 February 2nd meeting was concerned about the earlier
 14 contacts, and by Friday, or at least by Monday Mr. Sloan had
 15 raised the fact that he thought that Mr. Altman had
 16 neglected to talk about those.

17 Ultimately there were three issues that were kind
 18 of in the mix, the fall meetings, the failure to mention
 19 recusal in the February meeting, and I think Mr. Nussbaum
 20 was concerned that there was a suggestion that this meeting
 21 had been arranged through him, and it was his view that this
 22 meeting had not been arranged through him.

1 Q The February 2nd meeting?

2 A The February 2nd meeting, that he had not been
3 involved in setting up this meeting.

4 Q What did the White House decide to do as to each
5 of those three concerns?

6 A I don't know that we ever did anything about the
7 Mr. Nussbaum meeting issue because it was pretty peripheral.

8 Q You mean as to who had arranged the meeting?

9 A Who had set it up. I mean Mr. Nussbaum was sort
10 of concerned that he had been brought into it and he hadn't
11 set up this meeting.

12 Q Who had set up the meeting, to your knowledge?

13 A I don't know.

14 Q Did Mr. Nussbaum in stating his concern indicate
15 to you who had set it up?

16 A Well we were in Mr. McLarty's office. All I knew
17 is that Bernie hadn't set it up. I don't know that Bernie
18 knew who had set it up, but he knew he hadn't set it up. So
19 we really focused on the first two, and there was a decision
20 ultimately that Mr. Podesta would call Mr. Altman, which he
21 did.

22 Q Do you now when that occurred?

1 A Sometime the next week. Tuesday, Wednesday or
2 Thursday, sometime the next week.

3 Q Were you a part of that telephone conversation?

4 A No.

5 Q Have you heard from Mr. Podesta what that
6 conversation consisted of?

7 A Very briefly.

8 Q What did you hear?

9 A That, and again this is Mr. Podesta relating his
10 conversation with Mr. Altman, I was not on the call, that on
11 the fall meetings Mr. Altman hadn't remembered them or
12 something, and Mr. Podesta said you should check with Ms.
13 Hanson to get the full story or something, and that on the
14 February 2nd meeting the failure to include the reference to
15 recusal that he thought that his testimony had been accurate
16 and that procedures included recusal.

17 Q That's what Mr. Altman told Mr. Podesta according
18 to what you heard about the conversation?

19 A Yes, but you really have to talk to Mr. Podesta
20 and Mr. Altman. I may even have heard this third-hand, but
21 I think I heard that from Mr. Podesta.

22 Q Did the White House or anyone from the White

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1 House suggest to Mr. Altman that his testimony should be
2 corrected or amended in any way, to your knowledge?

3 A That was the purpose of Mr. Podesta's call.

4 Q Do you know if Mr. Podesta actually made that
5 suggestion?

6 A I don't.

7 Q Are you aware that over the course of the next
8 several weeks Mr. Altman submitted several letters to the
9 Senate Banking Committee?

10 A On March 4th, which was Thursday or Friday of
11 that week, was the day that the White House got a grand jury
12 subpoena. Mr. Podesta would have spoken to Mr. Altman on
13 Wednesday or Thursday. Everything I know about this from
14 March 4th on is pretty much based on reading the newspaper.
15 I had never seen any of those letters, and what I know about
16 them I really know from reading the newspaper. So the
17 answer is yes, but because I read the Washington Post.

18 Q Did you see any of Mr. Altman's follow-up letters
19 to Senator Riegle before they were sent?

20 A No, and I haven't seen any of them since they
21 were sent.

22 Q Do you know if anyone at the White House had any

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1 involvement in either the drafting or the reviewing of any
2 of Mr. Altman's follow-up letters?

3 A Not that I know of.

4 Q Did you have a conversation with Jean Hanson on
5 February 24, 1994 relating to the hiring of Jay Stephens and
6 his law firm by the RTC to do work for the RTC relating to
7 the Madison investigation?

8 A I had a conversation with her about that. I
9 would have said it was the next day, the 25th. I have a
10 recollection that it was the morning of the 25th.

11 Q It was sometime shortly after the February 24th
12 hearing?

13 A Yes, and I think it was the next day.

14 Q Was it a telephone conversation?

15 A Yes.

16 Q Who called who?

17 A I called her.

18 Q What was your purpose in calling Ms. Hanson
19 regarding Jay Stephens?

20 A Mr. Altman had testified at the hearing that the
21 law firm that the RTC had hired to assist it in making this
22 determination was Pillsbury, Madison and Sutro. During the

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1 day on Thursday, the day of the hearing, I had heard that
 2 the lawyer at Pillsbury who was responsible for this was a
 3 lawyer by the name of Jay Stephens. I didn't know if it was
 4 the same Jay Stephens, and I called her to find out whether
 5 it was Jay Stephens. I asked her, I think I said that I had
 6 heard that it was Pillsbury and is it true. I think I said
 7 Roger testified that Pillsbury was the law firm, and I had
 8 heard that it was Jay Stephens. I assume if the name of the
 9 law firm is public information, then the name of the lawyer
 10 is public information, and is it Jay Stephens, and she said
 11 to me either that she didn't know or she did not know who
 12 Jay Stephens was.

13 Q Did she confirm for you that it was Mr. Stephens
 14 who had been hired?

15 A I don't think she did. I think she told either
 16 that she didn't know or she didn't know who he was.

17 Q Did you ask Ms. Hanson to confirm this
 18 information?

19 A You mean go off and find out for me? I don't
 20 know. She never called me back.

21 Q What was the reaction you were aware of within
 22 the White House to the news that Jay Stephens had been hired

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1 by the RTC to conduct the civil investigation into Madison?

2 A Disbelief.

3 Q Who said anything that makes you give that
 4 answer?

5 A I think Mr. Podesta I spoke about it with, and
 6 Mr. Nussbaum I talked to about it over the weekend, and he
 7 didn't see how in good faith he could have been hired. It
 8 just didn't make any sense. It was so far out of the range
 9 of reasonableness, and it was almost as if they couldn't
 10 have known who he was.

11 Q To your knowledge, did any White House officials
 12 make any attempt to undo Mr. Stephens' appointment or hiring
 13 by the RTC?

14 A Not to my knowledge. I mean I shouldn't say
 15 that. I mean I have read in the newspaper that Mr. Ickes
 16 and Mr. Stephanopoulos made telephone calls. I know that
 17 only from the newspaper.

18 Q In the wake of the revelation that Mr. Stephens
 19 had been hired by the RTC, did anyone at the White House
 20 consider or do any legal research into the question of
 21 whether the RTC's authority as to civil enforcement relating
 22 to the Madison investigation could be shifted from the RTC

1 to the Office of the Special Counsel?

2 A I think that was an issue that was raised by
3 Senator Riegle at the hearing.

4 Q Was that something that was discussed further at
5 the White House in the wake of the news that Mr. Stephens
6 had been hired?

7 A I don't remember that being discussed at the
8 White House.

9 Q Do you know if anyone at the White House asked
10 Mr. Altman or Ms. Hanson to contact Ellen Kulka to ask Ms.
11 Kulka how it was that Mr. Stephens had been hired by the
12 RTC?

13 A No.

14 Q Did you participate in a conversation with John
15 Podesta and Todd Stern following the revelation that Mr.
16 Stephens had been hired by the RTC in which Mr. Podesta
17 stated that he wanted to know whether anyone at the RTC
18 could be contacted to determine how Mr. Stephens was hired
19 for this investigation?

20 A I remember that.

21 Q Do you have any recollection of meeting with Mr.
22 Stern and Mr. Podesta relating to Jay Stephens?

1 A Yes. I had indicated to you that one of the
2 people I talked to about with this issue was Mr. Podesta,
3 and I think I talked about it with Mr. Stern as well.

4 Q Do you remember a specific meeting among the
5 three of you?

6 A No, but their offices are right next to each
7 other and they had been helping on the hearing. I mean it's
8 possible, but I don't remember a specific meeting on this
9 issue.

10 Q Do you remember any discussion with Mr. Podesta
11 in which Mr. Podesta indicated that he was considering or
12 trying to figure out if there is anyone at the RTC he could
13 talk to about this?

14 A No, I do not.

15 Q Did there come a time when you learned that Mr.
16 Altman had in fact recused himself from RTC matters relating
17 to Madison?

18 A Yes.

19 Q Do you remember when that was?

20 A Probably Friday, the 25th.

21 Q Of February?

22 A I think. I mean I don't remember exactly when he

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1 recused himself. I think he recused himself the day after
2 the hearing after the New York Times story appeared.

3 Q How did you learn about Mr. Altman's decision to
4 recuse himself?

5 A I don't remember.

6 Q What was your understanding or what is your
7 understanding as to how Mr. Altman reached that decision?

8 A I don't know who told me this, and what I'm about
9 to tell you I have no idea if this is true, but what I heard
10 was that an editorial writer for the New York Times had
11 called him and was going to write an unfavorable editorial,
12 which he did, I mean the unfavorable editorial actually
13 appeared the next Sunday, and that in connection with that
14 call and maybe during that call Mr. Altman decided that he
15 would recuse himself. That's my understanding, but I want
16 to emphasize that I have no idea if that's true. That was
17 sort of a rumor going around the White House.

18 Q Who told you that?

19 A I don't remember.

20 Q To your knowledge, was anyone from the White
21 House involved on February 25th in Mr. Altman's decision
22 finally to recuse himself?

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1 A The way I heard the story, we were absolutely not
2 involved, which is that he just did it on his own talking to
3 a New York Times editorial writer. That's the way I heard
4 the story, but I don't know if that's true or not. But as
5 far as I know, no one at the White House was involved.

6 Q Did you have a conversation with Jean Hanson on
7 February 25th in which you discussed the fact that Mr.
8 Altman had recused himself?

9 A The only conversation I remember with Ms. Hanson
10 on the 25th was in the morning relating to this issue,
11 relating to Jay Stephens. I don't remember talking to Jean
12 Hanson about the recusal. I don't think I did.

13 Q Did you ever have a conversation with Ms. Hanson
14 at any time during this whole time period we've been
15 discussing in which Ms. Hanson told you something and you
16 responded Bernie is going to go ballistic?

17 A I don't remember.

18 Q Do you remember, and I don't mean to be
19 mysterious about this question, this is really a failing of
20 my own memory, but let me see if this will refresh your
21 memory ---

22 A No, that's all right. I'm just doing my best to

1 answer your questions.

2 MR. MURPHY: It should be clear, too, that this
3 is not the first time that Mr. Eggleston has heard this
4 question, but go ahead.

5 BY MR. KRAVITZ:

6 Q I believe you've testified previously about a
7 point when Congress passed legislation that extended the
8 Statute of Limitations past February 28th, 1994 to December
9 31, 1995, and then at that point you realized that in a
10 practical sense the recusal issue really wasn't going to
11 have any effect any more on what the RTC was actually going
12 to do.

13 A Correct.

14 Q After Congress passed that legislation, did you
15 have a conversation with Ms. Hanson in which you and Ms.
16 Hanson discussed the fact that in light of this new
17 legislation the decision was going to be left to Mr. Ryan
18 and Ms. Kulka in any event regardless of the recusal
19 decision?

20 A I don't remember that. I mean that was pretty
21 clear as of February 2nd to me.

22 Q What do you mean?

1 A I mean Altman had made it abundantly clear on
2 February 2nd that those were the decision-makers.

3 Q Even if he stayed on the case?

4 A Even if he stayed on the case they were the
5 decision-makers. He could hardly have made anything more
6 clear than that at the February 2nd meeting, and I remember
7 that. So this sort of issue became less significant to me.
8 The extension of this to me really meant that nothing was
9 going to happen by February 28th. It was a timing issue and
10 not really a decision issue, although it was clear to me
11 that Altman would be gone and the issue of his recusal would
12 be gone. So I don't remember having that conversation.

13 MR. KRAVITZ: I think that's all I've got at this
14 point.

15 I don't know if you want to off the record for a
16 minute and discuss scheduling.

17 THE WITNESS: I would like to keep going. I mean
18 I've really sort of devoted my day to this and I would
19 rather not have to devote tomorrow, too. If that's okay
20 with you, I'll stay here as long as you want.

21 MR. BRAUNREUTHER: No guarantees, but I think if
22 you're willing to stay an hour and a half or we get through

1 this.

2 THE WITNESS: That's fine.

3 (Recess taken from 6:52 p.m. to 7:00 p.m.)

4 MR. BRAUNREUTHER: Back on the record.

5 Mr. Eggleston, it is now 7 p.m., and I appreciate
6 the fact that you've expressed your willingness to stay and
7 answer additional questions in an effort to complete the
8 testimony this evening, and with that in mind I will attempt
9 to expedite my questioning and move through the materials
10 and try not to repeat myself too much, although I do in some
11 areas have some follow-up and by necessity will try to
12 direct your attention to some areas that you've testified
13 about.

14 Based on the earlier objections, I will expect
15 that if you do answer a question that it's a complete
16 answer, although I do extend to you the option to identify
17 that you have not made a complete answer based on Executive
18 Privilege, and I will endeavor to avoid questions which
19 require that kind of a response.

20 MR. MURPHY: We'll let you know.

21 MR. BRAUNREUTHER: I'm sure you will let me know.

22 EXAMINATION

1 BY MR. BRAUNREUTHER:

2 Q There was a question with respect to document
3 X911, which appears to be a memorandum from Cliff Sloan to
4 Bruce Lindsey dated October 7th, and I recall that you
5 didn't have any particular recollection of that matter.

6 Directing your attention to about that time,
7 October 7th, 1993, do you recall whether either you, Cliff
8 Sloan or Bruce Lindsey, to your knowledge, had any notice
9 that a criminal referral had been made regarding the Madison
10 case?

11 A Well I suspect that by this time whatever
12 communication I had had with Cliff Sloan that led me to do
13 that legal research had already taken place.

14 Q So you believe that by October 7th you had done
15 the legal research into the operation of the Statute of
16 Limitations?

17 A No, no, not the Statute of Limitations. Remember
18 I testified earlier that Mr. Sloan and I did research into
19 whether it was permissible for the White House to sort of
20 have information, and it must have been about a criminal
21 referral, although I don't quite remember that, but I
22 remember that's what I was looking for. That's the research

1 I did.

2 Q I stand corrected.

3 A So the answer is yes, I think so, and I think
4 that probably happened by October 7th. I think earlier I
5 said it happened sometime between the 29th and the 14th. I
6 think it had probably happened actually by the 7th.

7 Q And I believe you testified that you had
8 identified a concern about having this information; is that
9 right?

10 A Well I was not concerned, but as a lawyer I
11 wanted to make sure there wasn't something out there that
12 says that we weren't supposed to have it.

13 Q You had not reached a conclusion or had an
14 opinion that it was improper, but you had a concern in the
15 sense that you wanted to look at the issue; is that right?

16 A Yes. It was an issue that I wanted to look at.

17 Q I would like to clarify. You certainly wouldn't
18 have that concern if the source and the information was
19 strictly a press release that was out in the public; is that
20 right?

21 A Well if I knew about the criminal referral
22 because the Treasury Department had issued a press release,

1 I would not have done any research into it.

2 Q If the sole basis for you knowing about the
3 criminal referral was the existence of a press article, you
4 wouldn't have any concern that would require research?

5 A A press article particularly?

6 Q Yes. I mean if the source of the information was
7 solely a press article, you would not have a concern and do
8 legal research?

9 A That's correct. I did not do any additional
10 research after Sue Schmidt's October 30 article came out.

11 Q So the concern that led you to conduct some legal
12 research was the fact that you were in possession of
13 information regarding a criminal referral not from the
14 press; is that right?

15 A Well I mean I don't remember what exactly the
16 information was that we had, and you're going to get to Mr.
17 Sloan and he'll be able to tell you better than I what
18 exactly that was.

19 Q Maybe you can help me with this. It would seem
20 to me that if the sole basis for knowing about a criminal
21 referral was a press article, that that wouldn't lead you to
22 do research. Is that a fair statement?

1 A Sure.

2 Q So that therefore I would conclude that there
3 must have been some other basis for your concern, right?

4 A Yes.

5 Q And based on that can you tell me whether there
6 was some other source of your information regarding a
7 criminal referral at that time?

8 A Well at this time period I don't think that
9 anything had appeared in a newspaper, the information, and
10 again I'm sorry about this, but I just don't remember the
11 time period between September 29th and October 14th very
12 well. I just don't really remember it all that well, but
13 there had been story as of that time. There had been
14 questions to the Treasury Department, and I can't really
15 remember whether there had also been questions to Bruce
16 Lindsey by other reporters on this issue, although later
17 there were. So there had not been a published sort of press
18 article by that time.

19 Q Did you know at that time that Roger Altman had
20 asked Ms. Hanson to give the White House a heads up
21 regarding the criminal referral?

22 A I didn't know anything about that until I read it

1 in the newspaper.

2 Q And at that time, to the best of your
3 recollection, in your discussions with Cliff Sloan you
4 weren't discussing a specific criminal referral?

5 A I mean I think that it was a referral, and I
6 think it involved Madison. Yes, I mean it was not just any
7 old referral. It became the subject matter of the October
8 14th meeting and Sue Schmidt's article.

9 Q At the October 14th meeting was it apparent to
10 the participants of that meeting that Treasury had confirmed
11 the fact of a criminal referral?

12 MR. MURPHY: To whom, to them?

13 MR. BRAUNREUTHER: To any of the participants.

14 THE WITNESS: Well here is the way I always
15 thought about it, which is that we were having a meeting
16 about this, and if the answer was there hadn't been a
17 criminal referral we wouldn't be having a meeting. I don't
18 really remember what Lindsey's article says about this, but
19 if the answer to Gerth was what are you talking about, there
20 hasn't been a criminal referral, we wouldn't be having a
21 meeting. So inferentially there was something in the works
22 or we wouldn't be having this press meeting. I remember

1 this conversation being not at the what happened level, but
 2 at the what is Gerth asking about and what are we going to
 3 say about it level.

4 But obviously if the response to Gerth, and I
 5 mean I don't mean to be coy about this, if the response to
 6 Gerth had been you're completely out to lunch, there is no
 7 referral, there is no investigation and there is no nothing,
 8 I don't think we would have been having that meeting.

9 Q Therefore was it apparent from the discussion of
 10 the meeting that someone had ascertained that there had been
 11 a criminal referral?

12 A Well I can't tell you any more than what I just
 13 told you.

14 Q So to the best of your recollection you have no
 15 specific knowledge that the fact of the criminal referral
 16 was communicated to the White House by Treasury officials?

17 A You're sort of summarizing, and I can't
 18 summarize. I can only tell you what happened, and that was
 19 that there was a discussion. As I said before, there was a
 20 discussion about a variety of issues and questions,
 21 including whether it had been handled in the ordinary course
 22 or not handled in the ordinary course, and that was one of

1 Gerth's questions.

2 Q Did anybody indicate at the meeting that they had
 3 seen the criminal referral?

4 A I don't think so.

5 Q Were the details of the criminal referral
 6 discussed at the meeting?

7 A I don't remember what level of detail Gerth had.
 8 The number of referrals, that was sort of something that
 9 came up in Sue Schmidt's article and the like. I do not
 10 recall anybody telling us something like and there were "X"
 11 number of referrals and it did say "X" or it did say "Y" or
 12 whatever. I don't remember anybody telling us sort of the
 13 substance of what was in the referrals, but there was a
 14 substantial amount of discussion about what Gerth had
 15 obviously learned from some RTC official about what was in
 16 this referral.

17 Q Can you take a look at the October 20th memo by
 18 Bruce Lindsey, which is document X534, and read it to
 19 yourself and tell me whether it is accurate to the extent
 20 that it relates to the meeting and, if not, describe in your
 21 words where you believe it's inaccurate.

22 A Well I testified about this a little bit before.

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1 This is more detail than I remember I think I testified. I
 2 mean I can go through it and testify about what I remember
 3 and what I don't remember. I don't think I'm going to be
 4 able to tell you where I think it's inaccurate. What I'm
 5 going to be able to tell you is that I remember this or I
 6 don't remember this. I think it's unlikely that I'm going
 7 to tell you that this didn't happen at the meeting because
 8 all I can do is remember what I remember happened.

9 Q You will tell me though, won't you, what is
 10 inaccurate, if there is anything inaccurate, to your present
 11 recollection.

12 A I think that paragraph one is accurate, although,
 13 as I said before, I don't actually remember that Mr. DeVore
 14 had received a call the day before or the day before that.
 15 I remember he had received a call recently.

16 I think the first sentence of paragraph two is
 17 accurate. I remember the parenthesis, the parenthetical in
 18 paragraph two. I remember there being discussion about what
 19 was normal and what wasn't normal, but I don't actually
 20 remember. This suggests we got an answer to that. Maybe we
 21 did and maybe we didn't. I don't actually remember that
 22 this was the answer.

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1 I don't remember a reference to Jim Guy Tucker,
 2 which is three, but I wouldn't have known who Jim Guy Tucker
 3 was at the time and everybody else at the meeting would
 4 have. I'm from Washington and not from Arkansas. So if
 5 somebody said Jim Guy Tucker is involved in it, too, at that
 6 time that wouldn't have meant anything to me.

7 I think the first sentence of paragraph three
 8 accurately reflects what DeVore said Gerth said to him, as
 9 does the next sentence about the checks dated April 4th or
 10 5th.

11 This whole paragraph three, except for the
 12 parenthetical, you know, I don't remember sort of this level
 13 of detail, but it's probably right. I definitely remember,
 14 and this is actually one of my best recollections of this
 15 meeting, is that Gerth had the fronts of the checks and he
 16 wanted to backs of the checks. You know, I hadn't figured
 17 out how he got the fronts of checks that were part of a
 18 criminal referral. I don't know how that investigation is
 19 going.

20 The parenthetical, I don't know whether this is
 21 something that he did, that Lindsey did afterwards about a
 22 check of our records, but I don't remember this being

1 discussed at the meeting.

2 Q I think the way it's written it could be
3 interpreted to be something he did subsequently.

4 A I don't remember that being discussed at the
5 meeting.

6 The next paragraph is actually the one that you
7 just asked me about. The top paragraph on page 2, I don't
8 remember this level of detail, as I said before. Again, I
9 remember a discussion about what the normal procedure was
10 and that Gerth wanted to know if this was normal procedure
11 or not, but this is a level of detail about sort of how that
12 played out at the meeting that I don't remember. This could
13 have happened at the meeting, and I'm not saying it's
14 inaccurate, but I just don't remember this level of detail.

15 I don't remember the last paragraph on page 2 at
16 all.

17 Q Does that conclude your comments with respect to
18 the accuracy of this memorandum, to the best of your
19 recollection?

20 A Yes.

21 Q Do you recall either at the meeting or in the
22 period shortly thereafter that anyone commented on the

1 accuracy of the information that was being received, the
2 accuracy of Mr. Gerth's information?

3 A I don't remember. There may have been some
4 comment about how did he get the front of the checks or
5 something.

6 Q Had anybody prior to the meeting been able to
7 verify the details of the criminal referral to contribute at
8 the meeting that it was either accurate or inaccurate?

9 A I don't remember that happening at the meeting.
10 Nobody on the White House side had, to my knowledge, done
11 anything on this. We were learning all this at the meeting
12 as far as I know. So we hadn't done any verifying with
13 anybody. I mean this suggests, at least on page 2, that
14 DeVore had done something, that the referrals had been
15 received in the Washington office, but had been forwarded to
16 Little Rock and that it happened before the call. This
17 suggests that Mr. DeVore had done some looking at least into
18 that part of the issue, sort of the procedural process.

19 As I say, I remember this being discussed at the
20 meeting, although not this resolution of itself. This memo
21 would suggest that Mr. DeVore did some looking at least into
22 how it was handled, although this doesn't suggest that he

1 had done any looking into the substance of it.

2 Q Do you recall whether at the meeting Mr. Devore
3 said that he had investigated the history of the criminal
4 referral and could report on essentially what had happened
5 to the referral?

6 A I don't remember that. I mean this memo suggests
7 that happened, but I don't actually remember that. I'm not
8 disputing this memo. I just don't remember.

9 Q Do you recall that anybody was assigned to verify
10 the accuracy of Mr. Gerth's information?

11 A Nobody in the White House was assigned to do
12 that, and I don't remember anybody assigned to do that at
13 the Treasury Department.

14 Q Were there any plans made for Treasury to
15 undertake an inquiry and report back as to its findings?

16 A On the substance of the criminal referral?

17 Q On the substance or the procedure that was
18 followed in this specific case with respect to the criminal
19 referral.

20 A Not that I recall.

21 Q You testified briefly about DAEO being a term of
22 art.

1 A Yes.

2 Q And I believe DAEO stands for designated ethics
3 officer; is that right?

4 A I think it's designated agency ethics officer,
5 DAEO.

6 Q Is it fair to say that every agency has a DAEO?

7 A I think. I don't know.

8 Q An attorney within an agency who is designated
9 the DAEO also has other responsibilities; is that right?

10 A I don't know.

11 MR. MURPHY: I think you're asking the wrong guy.

12 THE WITNESS: You're asking the wrong guy. I
13 think all agencies have DAEOs. Whether somebody like the
14 Department of Defense has a DAEO that's committed to do it
15 all the time, that sure wouldn't shock me.

16 BY MR. BRAUNREUTHER:

17 Q Who is the DAEO within the White House Counsel's
18 Office?

19 A I don't know how a DAEO gets selected. It could
20 easily be sort of formally the Counsel to the President.
21 Ms. Nolan, who taught ethics at George Washington University
22 before she came to the White House, and she was really

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1 recruited because she's an outside, well-recognized national
2 expert in the ethics area, she's the one who does a lot the
3 issues, and there are a lot of ethics issues.

4 Q And you wouldn't know in other agencies whether
5 the DAEO is just someone who designated to serve in that
6 function who may also have many other responsibilities?

7 A I don't know. I assume in little agencies that's
8 probably true, and it wouldn't surprise me in big agencies
9 if it was not true. We have a lot of ethics issues because
10 of the all the nominations and personnel matters.

11 Q Do you have any insight into my Maggie Williams
12 would have been cc'd on Bruce Lindsey's memo of October
13 20th?

14 A I don't.

15 Q Is it true that Maggie Williams is the First
16 Lady's Chief of Staff?

17 A Yes.

18 Q And that generally her involvement is intended to
19 represent the First Lady's interests in matters that may
20 affect the First Lady?

21 A I have no idea why she was cc'd on that. You'll
22 have to ask Mr. Lindsey. She is also an Assistant to the

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1 President.

2 Q Does she wear two hats, or is that just part of
3 being Chief of Staff?

4 A I don't know. I mean when you look her up in the
5 phone book she is Chief of Staff to the First Lady and
6 Assistant to the President.

7 Q Did you have any understanding that to the extent
8 that she was involved in discussions with respect to the
9 Whitewater matter and the team I believe that you mentioned
10 that was ---

11 A I was fighting "team," but go ahead.

12 Q The loosely organized group that Maggie Williams
13 participated in, it was in her capacity as Chief of Staff
14 for the First Lady?

15 A I mean she was there, and people don't have hats.
16 They have jobs they're carrying out.

17 Q And isn't her job essentially to watch over the
18 interests of the First Lady and to participate in meetings
19 when they pertain to the First Lady?

20 A Well I mean she's obviously the Chief of Staff to
21 the First Lady. I mean health care, she's very heavily
22 involved in health care, for example.

1 Q Well so is the First Lady.

2 A But so is the President.

3 Q Are you aware of any matters that Maggie Williams
4 has taken a direct role in working on an informal
5 organization team that didn't involve the First Lady?

6 A No, nor do I necessarily think I would be. I
7 mean I don't know what all Maggie Williams does on all the
8 areas. I don't mean to be fighting you, but I feel that
9 you're asking me for a conclusion that I'm not really
10 capable of giving you.

11 Q Well do you disagree with the proposition that
12 Maggie Williams' involvement in this matter, and in
13 particular on the informal team was intended to represent
14 the interests of the First Lady?

15 A I don't agree or disagree with that. She's a
16 member of the team. I don't mean to fight you on this, but
17 she's there and she's working on the team. She is the Chief
18 of Staff for the First Lady. Obviously she's interested,
19 and obviously the First Lady had a role in sort of the
20 general Whitewater issue. But for you to have me conclude
21 from that that her role there is to represent the interests
22 of the First Lady, her role there is help work out whatever

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1 strategic and press issues are necessary. It's as if the
2 First Lady had some separate interest from the rest of the
3 White House, and I guess that's why I'm resisting. I don't
4 think that's accurate.

5 Q Directing your attention to the October 14th
6 meeting, I just have a few follow-up questions.

7 There is a statement in the last paragraph that
8 says: "The RTC believes that the funds for the cashier's
9 checks came in substance from a loan," et cetera. That's
10 the last paragraph of document 535, page 2.

11 A Right.

12 Q Do you recall what the basis for stating that the
13 RTC had a belief as to the source of the funds was?

14 A I don't remember that said at that meeting at
15 all. I mean I'm not saying that I disagree or I think
16 that's inaccurate, but I don't remember this said at the
17 meeting. So I don't know. Everything else I sort of
18 remember generally the subject coming up, but I don't
19 remember this subject coming up at the meeting.

20 Q And you don't recall whether Ms. Hanson provided
21 any information with respect to that issue?

22 A No, I really don't. This is an issue that I

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1 don't remember coming up at this meeting at all. I think I
2 said that in response to questions from Mr. Kravitz.

3 Q At the meeting I assume from your prior testimony
4 that you have no recollection that Ms. Hanson disclosed to
5 the participants that she had in fact informed Mr. Nussbaum
6 about the criminal referral?

7 A I don't think that was mentioned at the October
8 14th meeting, or at least I don't remember that being
9 mentioned at the October 14th meeting.

10 Q Let me ask you this directly. You are familiar
11 with the reports that such a disclosure did take place
12 between Ms. Hanson and Mr. Nussbaum on September 29th,
13 assuming that to be the case?

14 A Well let me say I don't actually know what was
15 disclosed. I don't know whether Ms. Hanson disclosed
16 earlier press inquiries. I don't actually have any personal
17 knowledge and I'm definitely not going to rely on the
18 press's rendition of what happened between the two. I've
19 sort of tried through this to know what I know and not learn
20 what other people know. So I don't know what actual
21 conversation there was between Mr. Nussbaum and Ms. Hanson
22 and/or Mr. Sloan during that time. I don't know. I don't

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1 know whether she was relating the press or she was relating
2 the fact of the referral, I don't know.

3 Q And you first learned about the contention that
4 there has been such a meeting after February 24th when it
5 appeared in the press?

6 A No, I mean I think I knew about it, and again I'm
7 sorry I don't remember this all this clearly, but I'm sure
8 that I had some knowledge of it arising out of my
9 conversations with Mr. Sloan. I remember Mr. Sloan told me
10 that there had been this meeting and that Hanson had said
11 that Altman had sent something to Mr. Nussbaum. So I mean I
12 had a general sense that there had been some meeting on
13 this. I just don't really remember what it was that I was
14 told.

15 Q If it had been a criminal referral, and based on
16 your background having worked in the U.S. Attorney's Office,
17 would you have been alarmed that an agency had disclosed to
18 White House personnel that there had been a criminal
19 referral involving a matter affecting the President?

20 A I mean I was in the U.S. Attorney's Office, but I
21 didn't have much of a frame of reference for all of this. I
22 had no cases involving the President.

1 Q Well let me just ask you from your experience, to
2 the extent you have it in any source, do you have a view
3 that the fact of a criminal referral is considered a
4 confidential matter?

5 A I mean this suggests that it's not a confidential
6 matter and that DeVore said it at the October 14th meeting.

7 MR. MURPHY: When you refer to this, you're
8 referring to page 535, which is part of the Lindsey memo,
9 which says that "DeVore had indicated that such confirmation
10 was normal procedure for the RTC."

11 BY MR. BRAUNREUTHER:

12 Q So it's your understanding that it would not be a
13 violation of any confidentiality requirements for the RTC to
14 confirm or deny the existence of a criminal referral?

15 A I didn't know the answer to that question, and
16 it's the reason we did the research. I didn't know whether
17 that was done or wasn't done. It wasn't grand jury material
18 because there hadn't been a grand jury, and I didn't know
19 whether there was some other prohibition against facts like
20 that being released. That's the reason Mr. Sloan and I sort
21 of looked through the statutes to see if there was anything
22 sort of like an IRS provision that says, you know, 26 USC

1 6103 I think that says that taxpayer information cannot be
2 revealed to see whether there was anything that precluded
3 release of that kind.

4 That's what I was looking for, and I thought
5 maybe there would be something. I actually thought there
6 might have been something in FIRREA because it had a lot of
7 weird provisions that dealt with bank examinations and that
8 kind of stuff. So I thought there might have been something
9 in FIRREA that dealt specifically with sort of this issue.

10 I had some recollection that there were 6E amendments that
11 had been made as a result of FIRREA that permitted greater
12 disclosure of grand jury material. I'm not saying that's
13 relevant to this, but I had a recollection because I had
14 done some bank fraud cases that FIRREA sort of touched on
15 some of these kinds of areas. That's the reason I went to
16 look to see if there was anything that precluded it.

17 I mean I didn't have any sort of particular frame
18 of reference, and that's why we went to look. I mean I only
19 point this out, and I don't actually remember DeVore saying
20 this, but this would suggest that DeVore at least told us on
21 the 14th that when asked by the press on a case like this it
22 was normal to confirm it. And if it was normal to confirm

1 it to the press, it would seem to me that it would be not
2 inappropriate to confirm it to the White House.

3 Q Do you have any opinion today of whether it's
4 appropriate for an agency to confirm or deny the existence
5 of a criminal referral?

6 A I haven't done any more research on the issue
7 than I did back in October.

8 Q So as to this point you are unaware of any
9 limitations and you do not believe it would be a breach of
10 the confidentiality to confirm or deny the existence of a
11 criminal referral?

12 A A breach of what confidentiality?

13 Q Well any confidentiality because apparently
14 you're unaware of one; is that right?

15 A I researched this issue at the time and did not
16 find anything. I researched the law part, and I seem to
17 remember Mr. Sloan researching the reg part of this, and
18 neither one of us found a confidentiality provision.

19 Q In the final analysis I just want to confirm that
20 as we sit here today you're unaware of any restrictions on
21 disclosing the fact of a criminal referral one way or the
22 other.

1 (Witness and his counsel confer.)

2 A I mean the other thing is that we were not doing
3 the disclosing. We were doing the receiving, and it was
4 also relevant to us that we were being told, you know, that
5 whatever was happening was coming from the General Counsel
6 at the Treasury Department who presumably, if there were
7 rules, she knew them as well.

8 Q You're not saying that if it was inappropriate
9 for the Treasury to disclose the fact of a criminal referral
10 that you wouldn't have a problem with that simply because
11 you were receiving that referral?

12 A No, but as I was thinking about whether this was
13 appropriate or not appropriate, the fact that it was
14 disclosed -- I mean whatever information we got from the
15 General Counsel of the Department of Treasury was a relevant
16 fact. This wasn't something thrown over the transom by some
17 investigator. This was a form of disclosure from the
18 General Counsel, whatever it was.

19 Q I wanted to ask you about Ms. Hanson's role as
20 you perceived it because you talked earlier about Mr. Altman
21 and the two hats he wore. What was your understanding about
22 Treasury's involvement with respect to the Madison case?

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1 A I actually said I don't think I focused on him
2 having two hats. I think that my position was that he showed
3 up, and he was whoever he was or whatever hat he had on he
4 had on. I didn't focus on what anybody's role was in this
5 particular case.

6 Q I represent to you that Mr. Altman was the CEO of
7 the OTC at that time as well as the Deputy Secretary to
8 Treasury.

9 A Correct.

10 Q To the extent that he would be discussing with
11 you the Madison matter, whether it's as to recusal or as to
12 the Statute of Limitations, do you understand he would be
13 doing that in his capacity as Deputy Secretary to the —
14 Treasury or in his capacity as CEO of the RTC?

15 A I did not have an opinion on that at the time.

16 Q Do you have an opinion today as to whether in
17 talking about those matters it would fall within his role as
18 the CEO of the RTC or as Deputy Secretary of the Treasury?

19 A Well let me just say at the time for a second.
20 At the time I didn't sort of know, and I don't think it's
21 indubitably obvious where the RTC fits, whether it's part of
22 Treasury or it's not part of Treasury. This is last fall,

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1 and I didn't know, and in fact also in February I didn't
2 particularly know whether RTC, like the OCC, Office of the
3 Comptroller of the Currency, whether it's part of the
4 Treasury Department or whether it's a separate entity. I
5 mean I didn't know about how all those interrelationships
6 worked out.

7 Q So to the best of your knowledge, he could be
8 discussing this matter in his capacity as the Deputy
9 Secretary; is that correct?

10 A I never focused on it. He was discussing the
11 matter as Roger Altman, the guy who called the meeting.

12 Q So to the best of your knowledge, he could be
13 functioning as Deputy Secretary?

14 A I can't answer that. I don't know. We didn't
15 call him and say we need the head of the RTC to come over.
16 He called us and said, you know, I'm coming over. I mean I
17 didn't know what hat he had. So I can't answer that
18 question. I don't know what hat he was wearing, but they
19 weren't our meetings.

20 Q I believe you testified that your research into
21 the Statute of Limitations issue began in January; is that
22 right?

1 A Yes, and ended.

2 Q And ended in January. Let me step back. Have
3 you testified as to why you began that research?

4 A A couple of hours ago.

5 Q Can you explain to me, because I don't recall
6 right now, what it was that precipitated you taking a look
7 at the Statute of Limitations issue.

8 A Well by the time I started looking at the Statute
9 of Limitations issue I believe that this issue had already
10 been raised on the floor of the Senate. I think that this
11 was an issue that had begun to be active, and if it wasn't
12 on the floor of the Senate, it was in letters and it had
13 started to become a public issue.

14 And I believe that at some meeting I attended Mr.
15 Ickes just made a comment about so what is this Statute of
16 Limitations issue, when does it expire and what is this
17 issue that people are talking about, and I undertook to
18 answer the question.

19 Q From your discussions with Mr. Ickes did he
20 understand that this would directly impact on the Clinton's,
21 on the President and the First Lady?

22 MR. MURPHY: I object to the form of that

1 question.

2 You can answer.

3 THE WITNESS: Well this was not an abstract
4 discussion. I was looking into when the Statute of
5 Limitations as to Madison would expire, and it would apply
6 to anybody that they might sue. It was not just a Mr. and
7 Mrs. Clinton issue. It would have been anybody, Jim
8 McDougal, other members of the Board, the Rose law firm. It
9 could have applied to anybody. It was not specific to the
10 President and First Lady.

11 BY MR. BRAUNREUTHER:

12 Q Was the concern though that it would have
13 implications for the President and the First Lady even if
14 they're just press implications?

15 A Well I didn't represent the President and the
16 First Lady in a civil lawsuit against the RTC. I'm not a
17 private lawyer. I'm a public lawyer, and so I'm not
18 concerned about -- unfortunately, this is going to be public
19 -- but I mean I can't be concerned about whether they end up
20 liable for money damages or something. That's not why my
21 salary gets paid by the American public. But issues related
22 to things that are happening on Capitol Hill, things that

1 happen in press inquiries and the like all are things that I
2 deal with and deal with appropriately I think as part of my
3 officials duties.

4 This lawsuit obviously was having an impact in
5 the press and on Capitol Hill, and there was a time when the
6 Senate Minority Leader said that he was going to stop all
7 legislation until hearings were authorized. I mean this is
8 more than just a private Clinton matter. So, yes, it had an
9 impact, but it had more than just personal impact.

10 Q I understand, and I'm not challenging you in
11 terms of your role. You're saying that in your capacity as
12 Counsel to the White House there was a legitimate reason to
13 take a look at this.

14 A Right.

15 Q And accepting that for the moment, is it fair to
16 say that the implications were implications that would
17 pertain to the President and the First Lady as to how the
18 Statute of Limitations would work in this case?

19 A Well, yes, but I wasn't doing it because it was
20 going to have a financial impact on them.

21 (Witness and his counsel confer.)

22 Q At some point you completed your research?

1 A Yes.

2 Q You discussed your research with Mr. Ickes?

3 A Yes.

4 Q Did you discuss it with anybody else?

5 A I don't really remember. I might have discussed
6 it with Mr. Nussbaum. I probably discussed it Mr. Nussbaum,
7 although I don't actually remember discussing it.

8 Q Do you recall participating in any meetings after
9 you completed your research to discuss your findings with a
10 group of people?

11 A No.

12 Q Do you recall whether it fact it was Mr. Nussbaum
13 who reached out to Mr. Altman to discuss this issue going
14 forward?

15 MR. MURPHY: Which issue?

16 THE WITNESS: You've got to give me a better
17 question.

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1 BY MR. BRAUNREUTHER:

2 Q I believe that a meeting ultimately took place on
3 February 2nd where, among other things, the Statute of
4 Limitations issue was discussed, correct?

5 A Yes.

6 Q And that roughly coincides with a time shortly
7 after you concluded your own research?

8 A I don't know what "shortly" means, but it was
9 after.

10 Q Was it within several weeks after you completed
11 your research?

12 A It was probably done by the middle of January if
13 this was February 2nd.

14 Q Do you recall having any discussions with Mr.
15 Nussbaum or Mr. Ickes following the completion of your
16 research where it was decided that it would be helpful to
17 reach out to Treasury and Mr. Altman in particular to
18 discuss your conclusions and to see whether it was accurate?

19 A No.

20 Q No, you don't recall that, or no, it didn't
21 occur?

22 A No, I don't recall it occurring. I can't say it

1 didn't occur. I don't know if Mr. Nussbaum called Mr.
2 Altman. All I can tell you is that I don't remember it
3 occurring and I have no recollection of it ever occurring.
4 I don't answer for Mr. Nussbaum or Mr. Ickes.

5 Q With respect to who initiated this meeting, have
6 you ever had any discussions with Mr. Nussbaum or Mr. Ickes
7 as to how this meeting occurred?

8 A With Mr. Nussbaum and not with Mr. Ickes.

9 Q And what does Mr. Nussbaum say about how this
10 meeting was initiated?

11 A He has only told me that he was not the initiator
12 of the meeting. He was concerned, as I testified earlier to
13 Mr. Kravitz, he was concerned that one of the things that
14 Mr. Altman had said, and this didn't come up until after Mr.
15 Altman's testimony at the February 24th hearing, but one of
16 the things that Mr. Altman had said was that he had arranged
17 the meeting through Mr. Nussbaum, or I can't remember
18 whatever he said, something like that, and Mr. Nussbaum was
19 concerned because it was his view that wasn't accurate. He
20 was not the contact to set up that meeting.

21 Q So the contact according to Mr. Nussbaum was Mr.
22 Ickes?

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1 A No, I don't think Mr. Nussbaum told me who the
2 contact was. I think all he told me was that it wasn't him.
3 That's all I remember him telling me.

4 Q And you have no independent knowledge as to who
5 set up the meeting?

6 A No. As I said, I just got beeped and showed up.

7 Q And you don't recall any discussions following
8 the completion of your research that talked about a meeting
9 with respect to the conclusions you reached?

10 A No. I don't anything about that.

11 Q And to your knowledge, the February 2nd meeting
12 has no relationship to the completion of your research?

13 A To your knowledge, they are completely unrelated,
14 except for the fact that they were both hot for the same
15 reason.

16 Q I mean the reason I'm asking you this question is
17 the subject matter is the same and the time frame has a
18 superficial correlation. You understand that.

19 A Sure.

20 Q What I would like to know is whether or not you
21 can share with us any further information about whether or
22 not there is in fact a correlation between those two issues?

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1 A To my knowledge, there is no correlation, except
2 that the reason I did it is probably the same reason that he
3 came over, which is that it was a hot and bubbling issue,
4 but I think it was the external fact that sort of had us
5 both thinking about it. But if there is something else, I
6 don't know about it.

7 Q In terms of the hot, bubbling issue, the hot
8 bubbling issue is one that had been publicized at least in
9 the Senate where Senator D'Amato I take it was requesting
10 some action on the case, correct?

11 A Yes.

12 Q And the specific action was to make a decision to
13 either bring an action or not prior to February 28th; is
14 that right?

15 A Yes.

16 Q So would you consider the question of how the
17 Statute of Limitations applied to be a case-specific inquiry
18 at that time?

19 A It was only case specific in that you had to know
20 the date that the institution was taken over in order to
21 calculate it, otherwise, the legal issue was constant. But
22 it had to be five years from something, and the something

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1 was the date the institution was taken over, which was a
2 public matter. It wasn't private.

3 Q In the normal course Statute of Limitations
4 discussions which don't impact on the White House would not
5 be something that you would be taking a look at. Is that a
6 fair statement?

7 A I don't know.

8 Q Well let me ask you specifically in this case. I
9 believe you already testified that the reason you were
10 taking a look at this particular Statute of Limitations
11 issue is because it impacted on the Madison matter.

12 A Right.

13 Q And would you consider the Madison matter to be a
14 specific matter?

15 (Witness and his counsel confer.)

16 Let me just clarify because I know you've just
17 spoken to your counsel, and I think that there is a concern
18 being expressed here about whether or not you were acting in
19 the personal interests of the President or in your capacity
20 as Counsel for the White House.

21 MR. MURPHY: Who has got that concern?

22 MR. BRAUNREUTHER: I think it has been expressed

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1 several times, and your client just said yes to my question,
2 and I'm not trying to hone in on that issue in my
3 questioning.

4 MR. MURPHY: What are you trying to hone in on?

5 MR. BRAUNREUTHER: I'm trying to establish that
6 when you speak about the Statute of Limitations and to the
7 extent that you did research in this case it was because it
8 pertained to a specific matter, the Madison case.

9 THE WITNESS: Yes. That was the issue and the
10 only issue that Mr. D'Amato was discussing on the floor of
11 the Senate, and that's the issue that I directed my
12 attention to.

13 BY MR. BRAUNREUTHER:

14 Q And if it did not pertain specifically to the
15 Madison matter, you would not in this case have had any
16 particular interest in researching the Statute of
17 Limitations; is that right?

18 A I think that's right. I don't think there were
19 any other issues.

20 Q And if the Statute of Limitations issue did not
21 pertain specifically to the Madison matter, there would have
22 been no purpose for the Statute of Limitations briefing

1 which occurred on February 2nd; is that also true?

2 A Would you repeat that.

3 Q Is it true that the Statute of Limitations
4 briefing, which occurred on February 2nd, was being made
5 because it pertained to a specific matter, that being the
6 Madison matter?

7 A Well it was about when the Statute of Limitations
8 would run on Madison, yes.

9 Q And the interest from the White House
10 participants was because that Statute of Limitations issue
11 had a direct impact on a particular case, the Madison
12 matter?

13 A Well the statute that was running out related to
14 Madison, yes.

15 Q And it was because that Statute of Limitations
16 was running out on the Madison matter that you needed a
17 briefing, or that a briefing was had with respect to this
18 generic Statute of Limitations issue?

19 MR. MURPHY: Objection to the way that's phrased.
20 I don't think he has ever testified that he needed a
21 briefing.

22 THE WITNESS: This was not my briefing. I mean I

1 did not request a briefing. You're asking me a lot of
2 questions about why this briefing was held, and you're
3 really going to have to direct those to Mr. Altman, who is
4 the one who called the meeting.

5 BY MR. BRAUNREUTHER:

6 Q Well I would like to ask you based on your
7 participation in the February 2nd meeting whether the
8 briefing regarding the Statute of Limitations pertained to a
9 case-specific matter?

10 A It was a briefing about the procedures that the
11 RTC would undertake in order to decide whether to bring an
12 action on the Madison matter.

13 Q And the discussion that was had at this same
14 matter on February 2nd with respect to the recusal pertained
15 to a specific case; is that correct?

16 A It pertained to whether he would recuse himself
17 on the Madison matter.

18 Q And not a general recusal with respect to other
19 case, but a specific case, the Madison matter, right?

20 A The Madison matter.

21 Q And when Mr. Altman was discussing recusal with
22 respect to the Madison matter, he was speaking about

1 recusing himself from the position of CEO of the RTC, right?

2 A I don't know that he ever said that, but he was
3 recusing himself from being a decision-maker on this matter
4 is what I understood him to be saying.

5 You can ask me this question 25 times, and you
6 have almost already, but as far as I was concerned he was
7 recusing himself from being a decision-making on this
8 matter, and I never focused on what hat he was wearing.

9 You can keep asking me the question if you want,
10 but you're going to get the same answer over and over again.

11 Q Let me just make sure I understand it then. Even
12 with respect to the recusal discussion you didn't understand
13 whether or not he was recusing himself from his position as
14 CEO of the RTC or whatever position he held with Treasury,
15 which happened to be Deputy Secretary?

16 A I thought he was recusing himself from any
17 involvement, that he was discussing recusing himself from
18 involvement in this matter, whatever form that would take.
19 I mean I don't know if he has got some role in this as
20 Deputy Secretary of the Treasury. Whatever hat he would
21 wear that he would have involvement in this matter he was
22 considering whether to recuse himself, and I didn't focus on

1 whether it was an RTC hat or whether he had some other role
2 as Deputy Secretary of the Treasury and all that kind of
3 stuff. I didn't pay any attention to it.

4 Q Regarding recusal you talked about the fact that
5 there were two concerns. One was a press concern and one
6 was an institutional concern. Do you recall that testimony?

7 A Yes.

8 Q And I believe you said that with respect to the
9 institutional concern it was that people not recuse
10 themselves simply because of the press.

11 A Yes.

12 Q Because that could lead to certain bad precedent
13 and ---

14 A It would not be good government.

15 Q Were there any other arguments being advanced in
16 opposition to recusal other than the argument in favor good
17 government?

18 MR. MURPHY: At the meeting on February 2nd?

19 MR. BRAUNREUTHER: At the meeting on February 2nd
20 or any time thereafter up until February 24th.

21 THE WITNESS: Not that I remember.

22 BY MR. BRAUNREUTHER:

1 Q So the only argument you're aware of in favor of
2 him not recusing himself is this argument of good
3 government; is that right?

4 A An institutional concern about over-recusal.

5 Q What I would like to do is explore with you the
6 different arguments in favor and against recusal at this
7 time. Now with respect to opposition to recusal the only
8 argument I believe you've testified to was the interest of
9 good government was to minimize recusals. Is that a fair
10 statement?

11 A I'm having a little trouble with this because I
12 testified for about an hour on this subject in various
13 things that were discussed, and I'm sorry, but I don't think
14 I'm capable of distilling it down into a few arguments. I
15 mean I testified sort of in response to Mr. Kravitz'
16 questions about things that were said. I don't think I'm
17 capable of like buttonholing all these and saying this is
18 this, this falls in this category and this falls in this
19 category and this falls in this category. I don't think I
20 can do that.

21 Q Can you related to me what the arguments against
22 recusal were at the time?

1 MR. MURPHY: I think he has already done it.

2 THE WITNESS: I think I've pretty much already
3 done it in sort of great detail. I don't have anything to
4 add to what I've already said to Mr. Kravitz. I don't have
5 any additional arguments that were made in addition to what
6 I've already said.

7 MR. BRAUNREUTHER: I really don't want to rehash
8 testimony. I mean if you feel like you've exhausted ---

9 THE WITNESS: I've pretty much exhausted what I
10 know about this, and I'm just reluctant to then let you sort
11 of have me put them into little cubbyholes. I mean I've
12 related conversations that people had, and I'm not
13 comfortable saying that people regarded this as one issue
14 and people regard this as another issue. I don't feel
15 competent to do that.

16 BY MR. BRAUNREUTHER:

17 Q You mentioned that at the February 2nd meeting
18 there was discussion of Ellen Kulka's ability to make a
19 decision in this case. Do you recall that testimony?

20 MR. MURPHY: I think what he said was that Ms.
21 Hanson or someone vouched for her as a competent career
22 official of good quality, something like that.

1 BY MR. BRAUNREUTHER:

2 Q That was part of your testimony, and also didn't
3 you testify that Mr. Nussbaum had a different view about Ms.
4 Kulka's ability to handle the case?

5 A I think I said I don't actually remember whether
6 that happened at that meeting or not, but I definitely
7 remember him saying that at other times. I can't actually
8 remember that he said it, but I don't want you to get a
9 misimpression. I remember him saying that at other times,
10 but I don't actually remember that that's something that he
11 said at the February 2nd meeting.

12 Q Do you recall whether anybody expressed an
13 opinion about Mr. Ryan's ability to make decisions in the
14 case?

15 A Ms. Hanson or Mr. Altman, whichever one of the
16 two of them discussed their qualifications, whichever one of
17 those it was also at the same time that person talked about
18 Ms. Kulka also talked about Mr. Ryan as an outstanding
19 career government official who I think had been in OTS for a
20 long time and was well regarded and an excellent person with
21 solid judgment, yes.

22 Q And nothing more was said about Mr. Ryan?

1 A I don't remember anything else about Mr. Ryan.

2 Q At the meeting you indicated Mr. Altman informed
3 the participants in the meeting that no decision as to
4 whether or bring a case or not had been reached; is that
5 right?

6 A Yes.

7 Q So at least during the course of the meeting and
8 at the conclusion of the meeting no one had any view as to
9 whether or not a case would be brought or not?

10 A I think that's right. I think he specifically
11 told us that he didn't know anything about the merits of the
12 case. He didn't know what the recommendation was going to
13 be then.

14 Q So no one from the White House staff at that
15 point would have known whether or not the RTC would
16 ultimately decide to bring a case; is that right?

17 A All I can really tell you is what happened at
18 that meeting.

19 Q Well based on that meeting and what you observed
20 at that meeting, is it fair to say that the White House
21 participants would have been unable to predict whether a
22 case would have been initiated or would not have been

1 initiated?

2 A Based on that meeting that's right.

3 Q Well aside from that meeting, were there attempts
4 independently to predict whether a case would be brought or
5 not?

6 A Not that I know of. I'm just resistant when you
7 ask me to talk beyond my personal knowledge. I can only
8 tell you about what happened at that meeting, and I don't
9 know if other people talked to other people. So when you
10 ask me a question that says would the White House known by
11 that time, all I can do is tell you about that meeting. I
12 don't know if there were other contacts. I don't think
13 there were, but I'm not answering in excess of my knowledge.

14 Q Based on your personal knowledge, whether it
15 arises solely from that meeting or based on other
16 discussions you may have had with other colleagues within
17 the White House, had anybody formulated a view as to whether
18 or not a case would be brought or would not be brought prior
19 to February 28th?

20 A I don't think so.

21 (Witness and his counsel confer.)

22 THE WITNESS: What was your last question again?

1 (The last question and answer of the witness were
2 read by the reporter.)

3 THE WITNESS: Whether it would be brought, no.

4 BY MR. BRAUNREUTHER:

5 Q I just want to know whether or not you knew
6 whether a case would or would not be brought prior to
7 February 28th.

8 A No. I mean in doing my research I noticed that
9 the standard is quite high. I didn't know anything about
10 what facts the RTC may or may not have, but it is not an
11 ordinary negligence standard. It is quite a high standard.
12 I had a general sense that it would be hard for the RTC in
13 most cases to reach that standard particularly as to
14 outsiders, like the Clinton's or some of the other people
15 might have been, that that's not an easy standard to reach,
16 intentional misconduct or something.

17 I don't think I talked to anybody about it, but I
18 had a general sense that this would be a fairly hard
19 standard for the RTC to meet because it was intentionally a
20 high standard, but that it might be easier to meet as to a
21 McDougal or as to an insider because it's just easier to
22 make those kinds of intentional misconduct claims against an

1 insider frequently than an outsider. But I don't think I
 2 talked to anybody about it, and none of my opinion was based
 3 on any discussion with any regulator or anybody at the RTC.
 4 It was just based on my reading of the statute that it sort
 5 of seemed to me that that would be a hard case to make.

6 Q Do you recall participating in any meetings
 7 within the White House regarding that particular point
 8 you've just explained?

9 A No, I don't. But your question was did anybody
 10 have a view, and the reason I sort of stopped was I mean at
 11 some level I had a view, but it wasn't one that I shared,
 12 and it was uninformed because I didn't know what the facts
 13 were. I didn't have any knowledge of the facts. All I know
 14 is that based on the standard it seemed like pretty high on
 15 a non-bank official.

16 Q At the meeting on February 2nd was the standard
 17 discussed?

18 A It was part of the talking points I think.

19 Q And was one of the things discussed that in order
 20 to fit within the extension of the Statute of Limitations it
 21 would be necessary to show that there had been damage to the
 22 institution?

1 A I remember generally that the standard was
 2 mentioned at the meeting. I don't specifically remember the
 3 reference to damage to the institution. I remember some
 4 reference to the intentional misconduct portion.

5 Q Did Mr. Altman express any opinion that it would
 6 be difficult for the RTC to meet such a standard?

7 A I don't remember his saying that. I just don't
 8 remember. I remember him discussing the standard.

9 Q Was there any discussion at the February 2nd
 10 meeting of the details of the case, even as they may have
 11 appeared in the press prior to February 2nd?

12 A No, absolutely no discussion of the details of
 13 the case, no discussion of the merits of the case
 14 whatsoever.

15 Q And there was no talk about the number of checks
 16 that were identified in that October 20th memo?

17 A No, not that I recall.

18 Q Was there any discussion at the meeting of the
 19 political implications which would result if a tolling
 20 agreement was presented or if an action was commenced?

21 A I don't remember that. Not that I recall.

22 Q Was there any discussion that someone should

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1 alert the President or the First Lady to the fact that this
2 decision would be made sometime between that date, February
3 2nd and February 28th?

4 A I don't think that was mentioned at the meeting.

5 Q To your knowledge, did anybody report this to the
6 First Lady or to the President?

7 A I have no knowledge of it. I did not.

8 Q Have you have an opportunity to see the written
9 ethical opinion which was ultimately rendered with respect
10 to this matter?

11 MR. MURPHY: By whom?

12 THE WITNESS: It doesn't matter by whom, because
13 the answer is no. I've not read an ethical opinion on this
14 issue.

15 BY MR. BRAUNREUTHER:

16 Q Do you recall generally that the ethical opinion
17 which was reached was reached subsequent to February 2nd,
18 sometime after the meeting?

19 A I don't know anything about an ethical opinion
20 being reached.

21 Q I believe you testified earlier that subsequent
22 to the meeting there was some cooperation determine whether

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1 or not Mr. Altman was compelled by the ---

2 A Oh, I'm sorry. I thought you were talking about
3 something else.

4 Q I'm talking about the fact that at some point Mr.
5 Altman was going to seek a written ethical opinion from the
6 appropriate ethical officers; is that right?

7 A That was my understanding.

8 Q And as a general matter do you recollect that
9 that was subsequent to the February 2nd meeting?

10 A I think that that was mentioned at the end of the
11 February 2nd meeting.

12 Q So is it fair to say that at the time of the
13 meeting there had been no firm opinion as to whether or not
14 he was required by law to recuse himself?

15 A I don't know the answer to that question.

16 Q At the time of the meeting was it your
17 understanding that there was a firm ethical opinion
18 outstanding?

19 A I had no understanding on that issue.

20 Q Did anybody at the meeting say that he's not
21 required by ethics to recuse himself?

22 A No, not that I recall.

1 Q Did Mr. Altman or anybody at the meeting indicate
2 that they had already conferred with Secretary Bentsen about
3 the recusal issue?

4 A I think I indicated in response to questions from
5 Mr. Kravitz that I have some recollection. I pretty firmly
6 recollect him saying that Ms. Hanson had given advice on the
7 recusal issue. If your question was the ethical issue, then
8 I'm not answering your question. I don't mean I'm refusing
9 to, but I mean I'm answering the wrong question.

10 Q No, my question pertains to the decision of
11 whether or not Mr. Altman should recuse himself.

12 A Okay. I recollect Mr. Altman saying that he had
13 gotten that advice from Ms. Hanson, and I think he said he
14 had gotten that advice from Secretary Bentsen.

15 Q You indicated earlier that you believe Mr. Altman
16 was reading from some talking points.

17 A Yes, on the Statute of Limitations section. I
18 did not think he was reading from talking points on the
19 recusal section.

20 Q Do you recall whether or not he completed his
21 talking points when he was at the meeting?

22 A I don't know. I recall that he went through the

1 Statute of Limitations point pretty much reading it. I mean
2 sort of my recollection of this is that he pretty much read
3 the talking points on the Statute of Limitations issue.
4 Then there was this discussion about are you going to give
5 to the private attorneys any of the facts of the recusal
6 issue.

7 I was sitting right across from him at this
8 meeting, and I remember him reading from the talking points
9 basically. I was sort of following it because I had done
10 the research and I was sort of interested to see whether you
11 know, whoever had done it for him had come to the same
12 conclusion I had. So I was probably the only person there
13 that was sort paying attention to this because they were
14 checking my work.

15 Q How was your work, did you come to the same
16 conclusion?

17 A Well it seemed to me that we basically came to
18 the same conclusion. But I sort of have a recollection that
19 on the recusal issue he was not reading from the talking
20 points. My impression was that he didn't particularly know
21 much about the Statute of Limitations thing and he was kind
22 of reading. It was very technical and very legal and on

1 that issue he was pretty much reading what somebody had
 2 prepared for him to tell us about, and that's all he did.
 3 But I had the impression that he was not reading to us on
 4 the recusal issue.

5 Q Let me show you document 2227 and ask you if
 6 you've seen it before?

7 A I have not seen it before. Did you also want me
 8 to read it?

9 MR. BRAUNREUTHER: Yes, can you read it.

10 THE WITNESS: Sure. I mean I can read the
 11 headline and know that I've not seen it before. I've never
 12 seen this before.

13 (Witness reviews document.)

14 THE WITNESS: I've read it.

15 BY MR. BRAUNREUTHER:

16 Q I want to call your attention to the last talking
 17 point before I ask you this question because I want to make
 18 sure you've had an opportunity to see that one point.

19 A I have.

20 Q To what extent do those written talking points
 21 parallel what he actually said at the February 2nd meeting?

22 MR. MURPHY: Other than the last one?

1 MR. BRAUNREUTHER: Including the whole thing, but
 2 I want to call your particular attention to the last point
 3 so you don't overlook it.

4 THE WITNESS: I appreciate that. Except for the
 5 last one, it is pretty much what he said to us, except I
 6 don't remember this parenthetical about "See 2/1/94 letter
 7 to Dole." There is a parenthetical here, and I don't think
 8 he read that to us. Other than that, I think this is pretty
 9 much what he said to us.

10 I don't actually remember him saying the first
 11 bullet, although I'm not saying he didn't, but I just don't
 12 remember that. The rest of it I pretty much remember,
 13 except for the last one, and I don't think he said that.

14 BY MR. BRAUNREUTHER:

15 Q Have you had any discussions with anybody else in
 16 preparation for your testimony about this particular point?

17 A Other than my counsel?

18 Q Yes, other than your counsel.

19 A No.

20 Q Have you had any discussions with your colleagues
 21 in the White House staff subsequent to February 24th as to
 22 whether or not Mr. Altman said on February 2nd that he

1 intended to recuse himself?

2 (Witness and his counsel confer.)

3 A Yes. I've had conversations with the two
4 attorneys that Mr. Cutler brought in to assist in his
5 internal management review. I've been interviewed in
6 connection with that as you might suppose. So I've had
7 conversations with them about what it was that Mr. Altman
8 said.

9 Q Is this particular issue, that issue being
10 whether or not he said he was going to recuse himself or
11 whether he was thinking of recusing himself, is that an
12 issue that has been identified to you in the course of these
13 discussions in the past?

14 A I've been asked this question before starting
15 several months ago, well before I was interviewed by anybody
16 at the White House.

17 Q So I mean you have an appreciation for the
18 significance of this issue?

19 A Sure.

20 Q And in prior discussions either with Mr. Cutler
21 or the IG's office you've focused on this as something that
22 is important?

1 MR. MURPHY: He hasn't talked to Mr. Cutler about
2 this I don't think.

3 THE WITNESS: No.

4 BY MR. BRAUNREUTHER:

5 Q Who have you spoken to about this particular
6 issue?

7 A There are two attorneys that have been brought in
8 by Mr. Cutler to assist essentially him in his review of the
9 facts underlying the situation. Their names are Jane
10 Sherburne and Shiela Cheston, and they have interviewed me
11 as well as other people in the White House. I don't think
12 I've discussed this issue with Mr. Cutler.

13 MR. MURPHY: I think you were also asked about
14 this by the Inspector General.

15 THE WITNESS: Yes, and by others.

16 BY MR. BRAUNREUTHER:

17 Q Frankly, I don't really want to probe so much
18 into what Mr. Cutler is looking at or the IG. I merely want
19 to determine whether or not you have focused on this
20 particular point in advance of this testimony ---

21 A I have.

22 Q --- and identified it as a key issue.

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1 A I'm not saying I identified it as a key issue. I
2 focused on it. I knew I would be asked what he first said
3 about it, and I've thought about it.

4 Q Have you at any time discussed it with the other
5 participants to the meeting?

6 A No.

7 Q Have you made any attempt to refresh your
8 recollection about that by reviewing other materials?

9 A No. I don't have anything else to review.

10 Q Have you looked at anybody's rough notes or
11 conferred with anybody in effort to refresh your
12 recollection with respect to this particular point, that
13 being whether Mr. Altman said he was going to recuse himself
14 or whether he said he was thinking of recusing himself?

15 A Well I definitely haven't looked at any documents
16 because I don't know of any documents that relate to this
17 issue and I've never seen this document before, and I don't
18 think I've talked about it with anybody else except Jane and
19 Shiela.

20 Q Has anybody, to your knowledge, expressed a
21 different recollection of the meeting with respect to this
22 point?

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1 MR. MURPHY: Exclude from that anything you may
2 have learned from me, and answer the question.

3 THE WITNESS: Not that I know of. But my
4 recollection, and I feel sort of compelled to say this, my
5 recollection on this matter has been consistent for a
6 substantial period of time.

7 BY MR. BRAUNREUTHER:

8 Q Do you recall when your recollection about that
9 matter was first probed?

10 MR. MURPHY: Do you want the date or do you want
11 the circumstance? The first circumstance was when he
12 testified in response to an inquiry by Mr. Fiske. So that's
13 when it first came up.

14 MR. BRAUNREUTHER: Again, I don't want to get
15 into what Mr. Fiske asked you in the grand jury.

16 MR. MURPHY: Or elsewhere.

17 MR. BRAUNREUTHER: Or elsewhere, in interviews or
18 otherwise.

19 What I do want to know is whether or not before
20 you spoke to Mr. Fiske or at any other time outside of that
21 you've had discussions with the participants in the meetings
22 or others in an effort to refresh your recollection and

1 reconcile different people's recollection of the matter.

2 THE WITNESS: I think so and, as I say, my
3 recollection on this has been consistent and I've not
4 changed my recollection.

5 BY MR. BRAUNREUTHER:

6 Q You did indicate that you did have some concern
7 about the meeting and how it would appear once it came to
8 light that there had been a discussion at all from a press
9 or political point of view, correct?

10 A Yes.

11 Q And I understand that you did not use concern in
12 the sense that you thought it was a legal or ethical
13 problem, as much as a perception problem; is that right?

14 A Yes.

15 MR. MURPHY: I think he said it would be unfairly
16 distorted.

17 THE WITNESS: I think, yes.

18 BY MR. BRAUNREUTHER:

19 Q I think you also said that you knew that there
20 would be, or you expected that there would be hearings and
21 that there would be some fallout.

22 A By the beginning of February I think it was

1 pretty clear that by the end of February there were going to
2 be these oversight hearings in the House and the Senate, and
3 I thought the likelihood that he would get asked this
4 questions was high.

5 Q What did you anticipate would be the criticism
6 that would be forth coming, whether it was valid or not?

7 A I mean I thought that it would be unfairly
8 portrayed as an improper contact between the White House and
9 Mr. Altman, and it was.

10 Q And did you anticipate that it would be unfairly
11 portrayed that the White House was playing some role in
12 influencing Mr. Altman's decision to recuse himself or not?

13 A I don't think I thought any further. You're
14 asking me to extend my thought beyond. I thought that this
15 matter would come out and it would be portrayed as a bad
16 thing, and that's as much as I thought.

17 Q What was the anticipated bad thing that people
18 would say about it?

19 A That it would be distorted as an improper
20 contact. I think I said that.

21 Q What would be the particular contention?

22 A I didn't think about that.

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1 Q I mean I have a hard time just following through
2 in terms of your thought process. Accepting that it would
3 be, in your view, an improper distortion of what actually
4 occurred, I would like you to elaborate on what you meant by
5 an improper contact.

6 (Witness and his counsel confer.)

7 A I mean I think that there was a danger that this
8 meeting would be portrayed as an attempt by the White House
9 to influence the decision that the RTC would make about this
10 lawsuit, and that did not happen, and that's exactly how it
11 was portrayed.

12 Q Did you share your concern with others?

13 A I don't remember whether I shared it immediately
14 afterwards. I don't remember.

15 Q At any time prior to February 24th did you
16 discuss this particular concern that you've described with
17 others?

18 A Well I think that my conversation with Ickes,
19 which led to me making this call to Ms. Hanson that I've
20 testified about, was to make sure that the meeting hadn't
21 happened, you know, that they get ready and they testify
22 about it and the whole matter would come out and be on the

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1 record and we would take the hit and get it over with. So
2 in some sense that was a recognition that this meeting was
3 going to be a political problem for us, but I don't think
4 that I said to him, you know, we're going to get creamed on
5 this meeting or something. I mean it was like the next
6 level where the meeting is over and now we're on what's
7 going to happen to us at this hearing about it.

8 Q I understand that nothing in your testimony is
9 intended to indicate that this was a valid criticism. With
10 that understanding I would just like to know whether or not
11 you did have discussions with Mr. Ickes where you expressed
12 your concern about this issue. Did you have such
13 discussions with Mr. Ickes?

14 MR. MURPHY: Where he says something to the
15 effect to Ickes that this is going to result in somebody in
16 the press or somebody on the Hill saying that the White
17 House was trying to influence the decision?

18 MR. BRAUNREUTHER: Yes.

19 THE WITNESS: I don't think so.

20 BY MR. BRAUNREUTHER:

21 Q Did Mr. Ickes, to your knowledge, share the same
22 concern, that this would be portrayed as an attempt by the

1 White House to improperly influence Mr. Altman?

2 A I don't know. You're asking me whether he had
3 that view. I don't know.

4 Q I'm asking based on your discussions with him
5 whether you have any knowledge that he shared the same
6 concern.

7 A I have no idea.

8 Q The same question with respect to anybody else on
9 the White House staff. Did anybody discuss with you the
10 concern that you've identified here?

11 A Not that I recall. I mean it's possible I
12 discussed it with Mr. Nussbaum. He's sort of them most
13 logical person for me to have discussed it with, but I don't
14 recall discussing it with Mr. Nussbaum.

15 Q Do you recall whether anybody, to your knowledge,
16 discussed this with Ms. Williams?

17 A I only know whether I did, and I don't recall
18 discussing it with Ms. Williams.

19 Q When did you first develop the concern that
20 you've identified that the White House might be accused of
21 improperly attempting to influence Mr. Altman's decision
22 with respect to recusal?

1 A During the meeting. This was not a rampant
2 concern. I mean I was just sort of thinking to myself how
3 this may play out. We're spending a lot of time talking
4 about it, but I wasn't sort of running around ripping my
5 hair out. I was thinking about how this might play out and
6 that it may play out in an unfortunate fashion, not that I
7 have much hair to rip out.

8 (Remarks off the record.)

9 Q Do you know whether anybody communicated to Mr.
10 Altman prior to his testimony that this was a concern that
11 had been identified by anybody within the White House staff
12 and it was therefore particularly important that he disclose
13 the totality of the meeting which had occurred on February
14 2nd?

15 A Not that I know of, no.

16 Q Are you aware of any discussions between the
17 White House and Mr. Altman with respect to this particular
18 concern that you've identified?

19 A No.

20 Q Do you have any knowledge whether Mr. Altman also
21 became attuned to this particular concern that the White
22 House could be in your eyes misperceived to have improperly

1 influenced Mr. Altman?

2 A I have no knowledge.

3 Q You have seen his answers and it is a fact that
4 he failed to disclose the recusal aspect of these
5 discussions, correct?

6 MR. MURPHY: You mean his testimony?

7 MR. BRAUNREUTHER: Yes, in his testimony of
8 February 24th.

9 THE WITNESS: He did not mention the word
10 "recusal" in his testimony. He mentioned the word
11 "procedures" related to the decision.

12 BY MR. BRAUNREUTHER:

13 Q Do you have any insight as to whether that
14 omission was a result of influence from the White House
15 whatsoever?

16 A I have no knowledge. I don't think it was. I
17 think we were doing the other. I mean I was doing the
18 other.

19 Q What were you doing?

20 A Well I had had this conversation with Ms. Hanson
21 to make sure that they were ready to answer the question,
22 and that was after a conversation with Mr. Ickes. As far as

1 I know, the White House was doing exactly the opposite,
2 which is making sure he was ready to answer the question.

3 Q And in particular instructing him to make public
4 the fact that the discussion included a discussion with
5 respect to recusal?

6 A I didn't instruct him to do anything.

7 Q Changing the word "instructed" to bringing to his
8 attention the need to make public the fact that the February
9 2nd meeting included a discussion with respect to recusal.

10 A Well that actually was not the dynamic of the
11 conversation that I had with Ms. Hanson. I just said I hope
12 you're ready, or something like I hope he's ready to testify
13 about the February 2nd meeting, and she said yes, he is, and
14 let me tell you what he's going to say. Then she gave me
15 the three bullet points, and I said fine.

16 So I did not bring to her attention this is
17 really important or he has got to say the thing about
18 recusal. As I recall it, it was a limited conversation
19 where one of the bullet points she mentioned, or I shouldn't
20 say bullet points because I didn't know really if she was
21 reading from something, but one of the three issues she
22 mentioned was the recusal issue. I did not otherwise focus

1 on the recusal issue.

2 Q I want to show you document X1130, which appears
3 to be a fax from Ms. Hanson to Mr. Nussbaum dated February
4 6th with 14 pages following which appears to be a letter
5 from Congressman Leach to Mr. Altman posing certain
6 questions and he's attaching certain materials pertaining to
7 the Madison/Whitewater case.

8 MR. MURPHY: It looks like it's dated February
9 3rd to me.

10 THE WITNESS: Did you say February 3rd or March
11 3rd.

12 MR. BRAUNREUTHER: I intended to say February 3rd
13 because that is date which appears on the document.

14 MR. MURPHY: You said the 6th.

15 MR. BRAUNREUTHER: I stand corrected.

16 THE WITNESS: Did you want me to read it?

17 MR. BRAUNREUTHER: No. Actually I would like you
18 to review the cover sheet. If you would like to read it,
19 you're welcome to read it, but I don't intend to ask you
20 about the content of the attachments to Congressman Leach's
21 letter. Perhaps you should just briefly review the
22 materials so you're familiar with what's contained in there.

1 (Witness reviews document.)

2 BY MR. BRAUNREUTHER:

3 Q Have you had an opportunity to take a look at the
4 materials that were attached to the fax?

5 A Yes.

6 Q Do you recall whether or not Mr. Nussbaum upon
7 receiving these materials provided you with a copy of them?

8 A I remember seeing these. I think Mr. Leach made
9 all these public. There were big stories about them at the
10 time they came out. I don't remember getting it from Mr.
11 Nussbaum, but I got them from somebody, or saw them from
12 somebody. I don't know if I actually got them or saw them
13 in somebody else's office, but I remember seeing this
14 material.

15 Q The cover fax would indicate that Jean Hanson had
16 forward it to Mr. Nussbaum. Is that a fair statement?

17 A Well you know as much about that as I do. I
18 don't think I saw this package from Mr. Nussbaum.

19 Q Do you know whether the White House was
20 coordinating with Ms. Hanson or anybody else at Treasury or
21 the RTC a response to Mr. Leach's inquiries?

22 A Well now I need to read the letter, because I

1 thought I was only supposed to look at the attachments.

2 (Witness again reviews document.)

3 I've looked at this quickly, and I don't remember
4 that we were coordinating any response. I don't recall that
5 anyone at the White House was involved in coordinating any
6 response to this letter to Mr. Altman.

7 Q So you are unaware of any further contacts, if
8 any, that might have occurred with Treasury in connection
9 with responding to Congressman Leach's inquiries?

10 A To Mr. Altman?

11 Q Yes, or to Ms. Hanson or anybody else on behalf
12 of Mr. Altman.

13 A No, I don't recall that we were involved in
14 responding to this.

15 Q Do you know whether a response to that letter was
16 reviewed by anybody in the White House?

17 A Not that I know of. I don't know that there was
18 a response to the letter.

19 Q I believe you talked earlier about the Ricki
20 Taggart recusal issue being viewed as a potential precedent
21 and that the issue of Mr. Altman's recusal had to be judged
22 with some view towards how the Taggart recusal was being

1 discussed at the time.

2 MR. MURPHY: Well I'm not sure that's exactly
3 what he testified to.

4 THE WITNESS: They were all part of the
5 institution concern that there would be some sort of domino
6 effect. That much is accurate. And I think that Ms.
7 Taggart had her hearing in sort of late January or early
8 February or something like that.

9 BY MR. BRAUNREUTHER:

10 Q Do you know who Mr. Tate is?

11 A I've heard his name.

12 Q Do you recall that there was someone proposed to
13 be CEO of the RTC by the name of Tate?

14 A Sure. Stanley Tate from Florida. I know this
15 from the newspapers. I don't have any other knowledge of
16 it.

17 Q Do you have any knowledge yourself about the
18 circumstances surrounding his ---

19 A His withdrawal?

20 Q --- his withdrawal.

21 A Didn't he blast everybody and said this has taken
22 too long and is a bunch of bull shit and I'm going home? I

1 mean I think anybody who reads the newspaper knows as much
2 as I know at least.

3 Q Do you have any specific knowledge, aside from
4 what you read in the newspaper, about the circumstances?

5 A No.

6 Q Were there any discussions within the White House
7 that they had withdrawn support for his nomination prior to
8 him blasting them in the newspapers?

9 A Again I know you mean do I have any knowledge of
10 any discussion, and I don't have any knowledge of any
11 discussion. It wouldn't surprise me if there was some
12 because, you know, a nominee withdrawing is an event, but I
13 didn't have any participation in it.

14 Q You talked also about the Statute of Limitations
15 extension which came about sometime in the middle of
16 February.

17 A Yes.

18 Q Is it fair to say that when that occurred it
19 essentially mooted the February 28th deadline which had been
20 the time frame within which everybody was analyzing the
21 Statute of Limitations issue?

22 A It was my understanding that the February 28th

1 deadline was extended till December 31, 1995.

2 Q And prior to that extension, which apparently
3 came up very suddenly ---

4 A That's my recollection.

5 Q So it did come up suddenly is your recollection?

6 A Yes.

7 Q And prior to that time, to the extent there was
8 talk about the Statute of Limitations and how it applied to
9 the Madison case, February 28th appeared to be a very real
10 date?

11 A Yes.

12 Q And after that point in time did you become aware
13 that it was not such a real date?

14 A Well I followed this amendment, and I don't
15 remember the details of how it happened, but I sort of
16 followed it, and I was aware that it had impacted
17 eliminating February 28th as a Statute of Limitations date.

18 Q Did it also therefore take some of the pressure
19 off the recusal decision which had been debated back and
20 forth up until that point?

21 MR. MURPHY: I don't know if we want to adopt
22 your characterization of it being debated back and forth up

1 until that point.

2 Did it affect the recusal decision?

3 THE WITNESS: I don't remember. I mean I don't
4 remember prior to February 11th whether Mr. D'Amato was
5 still on recusal or whether he was just on the Statute of
6 Limitations issue. I can't remember which one. He was
7 doing his calendar thing for a while. So I don't know. I
8 mean I thought Mr. Altman had made his decision. So it was
9 not on the table as far as I knew.

10 BY MR. BRAUNREUTHER:

11 Q Directing your attention to February 24th, the
12 day of the hearings, do you recall whether the White House
13 was involved in the early morning hours of the 24th in
14 speaking with Ms. Hanson or Mr. Altman in preparation for
15 Mr. Altman's testimony?

16 A I don't know. I don't think I was. I don't
17 remember have any communications with him on the 24th.

18 Q I believe you testified after the hearings that
19 there may have been discussion; is that right?

20 A Yes. I think it was the next day, the 25th. I
21 think the question got asked to me whether it was on the
22 24th, and I think it was the 25th.

1 Q I have a telephone log from Ms. Hanson's files
2 marked 382 which has an entry for February 24th referring to
3 you and also Pillsbury. Is that about the time that you had
4 the discussion with her regarding the selection of Mr.
5 Stephens?

6 A I am certain that I didn't know anything about
7 Mr. Stephens until the end of the day on the 24th. So I did
8 not have a conversation with her after the hearing was over
9 on the 24th about Pillsbury. I learned at the hearing I
10 think that Pillsbury was the law firm, and then I heard in
11 some other fashion that it was Mr. Stephens. I thought I
12 talked to her on the 25th, but I don't know. I don't know
13 what that is exactly. I don't know if that's a
14 contemporaneous log. I take it you're showing me something
15 that you represent to be Ms. Hanson's notes or something.

16 Q We've been provided Ms. Hanson's telephone log,
17 but you obviously haven't seen it in the past, right?

18 A No, I've never seen it, and I'm pretty sure I
19 didn't talk to her on the 24th.

20 Q Do you recall whether there was any attempt
21 shortly after Mr. Altman's testimony to obtain a transcript
22 of his testimony?

1 A Yes, I did.

2 Q What steps did you take to obtain a copy of Mr.
3 Altman's testimony?

4 A The only steps I took to obtain it was to get it
5 off publicly available -- you know it's printed and
6 available off the computer, and I went to our Research
7 Department and said how soon can I get a copy of this
8 testimony.

9 Q Were there any directions to Mr. Altman himself
10 to try to expedite the process of getting a copy of his
11 transcript?

12 A I'm not aware of any. I thought I was the only
13 person in the White House trying to get it.

14 Q Were there any attempts being made, to your
15 knowledge, by Mr. Altman or Ms. Hanson to identify the
16 questionable testimony from a videotape?

17 A No. I have no knowledge of that.

18 Q Were there any instructions from the White House
19 to Mr. Altman or Ms. Hanson to set forth for the White House
20 what exactly was his testimony?

21 A Not that I know of. I mean the communication I
22 know about on this issue was the next week, and I testified

1 about that.

2 Q Let me show you a memo dated February 28th from
3 yourself and Mr. Podesta to the file regarding the
4 Whitewater Senate Banking Committee hearing, which is No.
5 X1156. Do you recognize that?

6 A Yes. I wrote it.

7 Q It has a number of redactions to it, but it also
8 contains a reference to Mr. Altman's testimony and in
9 particular the questioning by Senator Gramm.

10 A Yes.

11 Q Do you recall what the circumstances were for the
12 preparation of that document and in particular the inclusion
13 of Senator Gramm's questioning of Mr. Altman?

14 A I made the decision of what to include and what
15 not to include. The redacted portions deal with questioning
16 by other Senators. Everything that related to this issue
17 that was in this memo, meaning the contacts issue, is here.
18 It is my summary of what happened at the hearing. So the
19 redacted portion is Senator D'Amato asking about the FDIC
20 recusal. This is the only portion of it that dealt with
21 this issue.

22 Q I'm not interested in probing the validity of the

1 redactions right now, but as to the part that has been
2 included is it fair to say that at least by that date,
3 February 28th, you had identified that as a passage which
4 was problematic and that you sought to take corrective
5 action?

6 A What day was the 28th?

7 MR. MURPHY: Monday.

8 THE WITNESS: Yes, but that wasn't the purpose of
9 this memo.

10 BY MR. BRAUNREUTHER:

11 Q What was the purpose of the memo?

12 A To inform people, and I mean I can't remember who
13 got the memo, but whoever got the memo about what happened
14 at the hearing on the whole range of issues, all the issues
15 that were discussed. There were lots of issues that were
16 discussed at the hearing that had nothing to do with this.
17 It was just to inform people of what happened at the
18 hearing.

19 Q Do you know would typically receive a memo like
20 that?

21 A I don't remember who I gave it to, Mr. Nussbaum
22 probably.

1 Q The memo was prepared by you or by Mr. Podesta?

2 A I prepared it.

3 Q At page 3 of the memo you state: "Mr. Altman
4 stated that the meeting was procedural only relating to the
5 Statute of Limitations issue."

6 What was your intent in including this in your
7 memo?

8 A I was just summarizing the highlights of the
9 hearing. That was my only intent. This was not a memo
10 about problems or anything. I was just summarizing for
11 people who hadn't seen the hearing what happened in a couple
12 of pages.

13 Q At the time you drafted it you realized that the
14 actual meeting included a discussion of recusal, right?

15 A Yes.

16 Q Because you were at the meeting?

17 A Sure.

18 Q And you made a point to note that Mr. Altman
19 characterized the meeting as procedural relating to the
20 Statute of Limitations, right?

21 A Yes.

22 Q Was your intent in making that observation to

1 alert people that he had not accurately reported the content
2 of the meeting?

3 A No. It was my intention merely to summarize what
4 transpired at the hearing. This was not a comment piece.
5 This is a summary of what transpired. As I testified
6 earlier, there were discussions going on about this issue.
7 It's not as if that issue wasn't on the table, but that
8 wasn't the purpose of this memo. This memo was just
9 directed to summarize for whoever we gave it to, and I don't
10 remember who we gave it to. It was just a summary, a
11 neutral, bland, non-judgmental summary of what took place at
12 the hearing.

13 Q Do you recall whether you received any comments
14 back from the recipients of the memo after it was
15 circulated?

16 A I'm virtually certain I got no comments back.

17 Q Is that because people typically don't read them?

18 MR. MURPHY: How would he know?

19 THE WITNESS: I don't really know. It wasn't
20 monumental enough. Let me put it this way. I didn't expect
21 anybody to give me any comments, and I think shortly after
22 that I distributed the transcript of the hearing.

1 MR. KRAVITZ: Does anybody else want to take a
2 five-minute break?

3 THE WITNESS: I wouldn't mind a five-minute
4 break.

5 (Recess taken from 8:42 to 8:49 p.m.)

6 MR. BRAUNREUTHER: Back on the record.

7 EXAMINATION (Resuming)

8 BY MR. BRAUNREUTHER:

9 Q To the best of your recollection who else was
10 involved in addressing the issue of the accuracy of Mr.
11 Altman's testimony at the February 24th hearing?

12 A I think Mr. Podesta, Mr. Stern, Mr. Nussbaum, Mr.
13 Klein, Mr. Sloan, myself, possibly Mr. Ickes, maybe Ms.
14 Nolan. She may have been at one meeting or something.

15 Q Were there a series of meetings between the
16 individuals you just mentioned to address this issue after
17 February 24th?

18 A Yes.

19 Q And how many meetings were there approximately?

20 A I don't know that I can really say. I don't
21 remember what day it was that Mr. Podesta called Mr. Altman.

22 Q Do you recall approximately how much after

1 February 24th it would have been?

2 A I'm not sure that we started on the 25th. I
3 don't remember whether we sort of started meeting on this on
4 the 25th, but certainly by Monday the 28th. There were kind
5 of a series of meetings, as I said before, on whether the
6 White House had an obligation to do something or whether it
7 should do something to complete the record.

8 Q Did Mr. Altman participate in any of these
9 meetings?

10 A No.

11 Q Did anybody from Treasury or the RTC participate
12 in any of these meetings?

13 A Not that know of, or actually I should say that
14 the meetings I participated in they did not participate.
15 It's more than not that I know of. They did not in the
16 meetings that I participated in. Whether there were other
17 conversations with them, I don't know.

18 Q In light of the fact that it's so late, can you
19 do your best to describe in narrative form the nature and
20 extent of these meetings following the February 24th
21 testimony of Mr. Altman.

22 A Sure. I mean they're sort of almost issue

1 oriented. Mr. Sloan had been concerned about the failure to
2 mention the fall meetings. He participated in both of them.
3 I think he raised that issue really on Monday. I think that
4 the people who were sort of thinking about this issue, which
5 is the group that I mentioned, reached the consensus pretty
6 quickly that Mr. Altman should be reminded about -- not
7 reminded, I don't mean reminded -- should be told that there
8 were meetings that did not involve him that had taken place
9 in the fall. So that was one issue.

10 I mentioned earlier there is this issue about
11 whether Mr. Altman had contacted Mr. Nussbaum to set up the
12 February 2nd meeting, and I don't remember us paying much
13 attention to that issue.

14 The other issue was the issue of the failure to
15 mention recusal, the recusal discussion at the February 2nd
16 meeting. Some people thought that his description was
17 accurate, which is that recusal is properly -- he had said
18 procedures and that recusal could be seen as within
19 procedures. If he had ever been asked what follow-up
20 procedures there were, you know, what did you mean by
21 procedures, maybe he would have told about it.

22 I mean he really gave a one-sentence description

1 of sort of three separate issues, and you could argue that
2 he intended by procedures to include timing, how they're
3 going to decide and recusal.

4 But in any event, I mean ultimately we decided
5 that Mr. Podesta should raise that issue with Mr. Altman as
6 well.

7 Q Can you describe how many meetings occurred?

8 A I can't really. I mean I think that they went on
9 and off for two days.

10 Q It would seem, and correct me if I'm wrong, it
11 would seem that to have all these people involved it was a
12 matter of some substantial concern at the time. Is that a
13 fair statement?

14 A It was a matter of concern, but I don't know if
15 substantial for the White House, but it was a matter of
16 concern.

17 Q Do you know whether the President or the First
18 Lady were consulted about it?

19 A I have no idea. I mean not to my knowledge.

20 Q Did anybody purport to express a view on behalf
21 of the President or the First Lady on these issues?

22 A No. I don't think anybody said that the

1 President or the First Lady wanted something or other to
2 happen in any meeting I attended.

3 Q Do you recall at any time during this entire
4 period that the President or the First Lady's name came up
5 with respect to the handling of the issues we've been
6 discussing?

7 A No.

8 Q Now on the issue that Mr. Sloan was particularly
9 concerned about, failure to mention the fall meetings, was
10 there any concern that the question that was actually posed
11 pertained to any contacts or communications, and I'm not
12 quoting, but I believe that the question asked not just for
13 meetings, but communications as well. Do you recall that?

14 A I don't remember that.

15 Q Do you recall whether the concern for additional
16 disclosure related not only to disclosing the fall meetings,
17 but also to disclosing that there had been a number of
18 additional communications with respect to recusal?

19 A I recall there really being the fall meetings.

20 Q Do you recall whether anybody in the course of
21 this debate suggested that the issue of recusal had come up
22 in more than the single meeting on February 2nd?

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1 A No. You know, I didn't know anything about and
2 still don't know anything about other contacts, except this
3 15 second thing where he just gave us his answer. The
4 meeting, the substantive contact we had had on this subject
5 that I was focusing on was the February 2nd one. That's the
6 one. He said he had had other conversations I think, but
7 that they were incidental. I mean he said that that was his
8 substantive contact. He didn't say that's the only time the
9 issue ever came up I think in his testimony.

10 Q Did anybody suggest at this time, and this is the
11 period after February 24th, that it might be necessary to
12 disclose that there were further contacts between Mr. Altman
13 and others at the White House where the issue of recusal was
14 discussed?

15 A I don't recall that issue coming up.

16 Q Do you know as a matter of fact whether Mr.
17 Altman subsequent to February 2nd spoke to anybody about
18 recusal, other than that meeting that you've described on
19 February 3rd I believe?

20 A Well I don't call that a meeting when he stuck
21 his head in. No, I don't have any knowledge of that. I
22 thought there was one substantive contact. I thought, my

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1 mindset was that there had been a substantive contact that
2 had taken place in Mr. McLarty's office on February 2nd when
3 Mr. Sloan brought the fall meetings to my attention, and my
4 reaction was, oh, yes, of course, he had said something to
5 which that wasn't consistent. So I thought, yes, that's
6 right, thanks, Cliff.

7 Q And nobody else suggested during this time after
8 February 24th when there was discussion about correcting the
9 testimony whether there had been additional contacts between
10 February 2nd and February 24th that should be included in
11 revisions to the testimony?

12 A I don't remember that in meetings I attended.

13 Q Do you recall what Mr. Nussbaum's position was
14 with respect to the accuracy of Mr. Altman's testimony?

15 A Not specifically. I mentioned Mr. Nussbaum, but
16 he was not much of a player in this. He had not been there
17 for the hearing. He was out of the country when the hearing
18 took place. He was out of the country and left Thursday
19 morning and I think came back Sunday night and was not
20 really much of a player. I mean I sort of remember him in a
21 meeting or two, but he was not sort of the core of the
22 people who were thinking about this problem.

1 Q Do you recall in the course of these discussions
2 that anybody was particularly vocal and critical of Mr.
3 Altman?

4 A This was a group of people trying to work through
5 to the right answer. I mean that's what I thought we were
6 doing. There was more discussion about the failure to
7 mention recusal than there was about the fall meetings.
8 When Cliff raised the fall meeting issue, we all pretty much
9 said, or it was at least my view that Mr. Altman hadn't
10 participated in the fall meetings and maybe didn't know
11 about them, but he was certainly answering on behalf of the
12 institution, and the institution had had two meetings, and
13 then on behalf of the institution he had to correct the
14 record.

15 Q So in answer to my question you don't recall
16 anybody being particularly vocal or critical of Mr. Altman
17 during the course of this kind of work-out period?

18 A Not really.

19 Q Who was responsible for contacting Mr. Altman to
20 communicate the collective views of this group?

21 A Mr. Podesta.

22 Q Do you know whether anyone other than Mr. Podesta

1 conferred with Mr. Altman regarding the need to correct his
2 testimony?

3 A I don't. The only person that I understood was
4 going to do it, and then I later understood had done it was
5 Mr. Podesta.

6 Q Did Mr. Podesta report back on what Mr. Altman's
7 reaction was to the request that he correct his testimony,
8 or clarify his testimony?

9 A I'm not quite into "correct." Report back, he
10 told me. I don't remember that he came back and reported to
11 a reconvened meeting or something, but I remember him
12 mentioning it to me.

13 Q What did he tell you?

14 A I was not a party to the conversation, and I'll
15 just do my best to remember. I was not a party to the
16 conversation between Mr. Podesta and Mr. Altman. I have a
17 feeling that on the fall meetings he said something like but
18 I was only answering for myself and I wasn't at any of those
19 meetings or something like that. But my impression is that
20 he had agreed, that he said, fine, that he would correct
21 that at least sometime before that week was over. And I
22 have a general recollection that on the other issue related

1 to the recusal that he thought his testimony had been
2 accurate, but again Mr. Podesta is the one to ask about this
3 conversation.

4 Q Aside from what Mr. Podesta communicated, you
5 have no idea what Mr. Altman's position was with respect to
6 the accuracy of his testimony and the need to correct or
7 clarify is testimony?

8 A I don't have any information on that except from
9 Mr. Podesta.

10 Q I believe you testified, if I'm correct, that the
11 series of letters that were submitted by Mr. Altman were
12 done on his own without any direct input from the White
13 House, to your knowledge?

14 A To my knowledge, yes. I did not participate in
15 drafting any of those letters and, to my knowledge, no one
16 else did.

17 Q So aside from the fact that Mr. Podesta was
18 communicating with Mr. Altman at this time, you have no
19 reason to believe that anybody in the White House staff may
20 have reviewed the content of the letters before they were
21 delivered to the Senate?

22 A I don't think anyone did. I mean I think only

1 the first letter had gone out before the grand jury subpoena
2 showed up, at which time there was an absolute iron curtain
3 put down between the Treasury Department and the White House
4 on this issue. I mean I think the likelihood that anybody
5 saw the last of the letters is pretty slim, and I have no
6 information that anybody saw the first letter.

7 Q Do you have any knowledge of whether these
8 letters were drafted by Mr. Altman in cooperation with his
9 personal attorneys?

10 A I have no information.

11 Q And the first time you saw the actual letters was
12 when?

13 A Never. I've never seen them. Unless you want to
14 show them to me, I haven't seen them to this day.

15 Q You've never taken a look at the public copy of
16 the hearing minutes with attachments?

17 A No.

18 Q You did review his testimony though?

19 A I knew I would be testifying shortly after March
20 4th, and to be real I'm testifying to what I remember.

21 Q But prior to that time you did receive a copy of
22 his testimony?

1 A Yes, I obtained a copy of the testimony.

2 Q Let me show you document 912, which appears to be
3 a memorandum ---

4 A But it did not, what I obtained was off the
5 computer. It did not have the letters.

6 Q Document 912 appears to be a memorandum from you
7 to the file. Is this what you obtained off the computer
8 with respect to his testimony?

9 A Yes.

10 Q To the best of your knowledge, is that the
11 earliest date that you would have had a copy of the
12 testimony?

13 A I think I had an earlier computer version before
14 this, which was not formatted. So I didn't send it around
15 and didn't retain it. It didn't have any paragraphs. It
16 was just a sheet of type. It was almost unreadable. So
17 that although I think I got that earlier, I didn't send it
18 around because no one could read it. I mean you could read
19 if you really spent a lot of time, but it was sort of
20 visually hard to deal with.

21 Q Do you recall anybody offering a justification at
22 that along the lines that Senator Riegle said he would leave

1 the record open and therefore there would be time in the
2 future to correct these answers by responding to additional
3 questions?

4 A No.

5 Q You just heard that justification at the time,
6 the time being shortly after February 24th?

7 A I take it you're saying justification for the
8 Altman letters?

9 Q No, let me rephrase it. Do you recall that in
10 these ongoing discussions about the need to correct Mr.
11 Altman's testimony that anybody offered the justification
12 that it would be unnecessary because Senator Riegle would
13 leave the record open for clarification some time in the
14 future?

15 MR. MURPHY: Someone within the White House
16 group?

17 BY MR. BRAUNREUTHER:

18 Q I believe you testified the only people you were
19 talking to at this point in time was the White House group.

20 A No, I don't remember that. Now it is true that
21 as of this time I think we still thought there was going to
22 be a House hearing now that you mention it where he might

1 have gone to testify at the House hearing or something.

2 Q Do you recall that there was an expectation that
3 Secretary Bentsen would be testifying before the House
4 Appropriations Committee sometime in early March?

5 A I don't remember that.

6 Q Do you recall ever being involved in reviewing
7 questions for Secretary Bentsen regarding his upcoming
8 testimony?

9 A I did not.

10 Q And I believe you testified that prior to
11 February 24th you never saw a completed brief book of the
12 Q's and A's prepared for Mr. Altman or Secretary Bentsen?

13 A I mean I don't know whether I knew that we had it
14 so that I saw it like on somebody's desk or something, but I
15 never looked at it. I never reviewed any of the Q's and A's
16 before, and I can't quite remember whether sometime before
17 the hearing I saw the book, or I saw something that was the
18 Q and A book, but I did not review it.

19 Q I want to show you document No. 884, 885, 886 and
20 887.

21 A The handwritten notes that I reviewed with Mr.
22 Kravitz?

1 Q Yes. Did you recognize the handwriting?

2 A No, I didn't. I think I was asked whether I
3 recognized the handwriting, and I don't recognize the
4 handwriting.

5 Q And you don't believe you've seen these documents
6 in the past?

7 A I don't think I had ever seen them before Mr.
8 Kravitz showed them to me.

9 Q There would appear from the content to be a memo
10 prepared on March 3rd regarding this matter, and there is a
11 comment at the bottom of the page that: "WH officials say
12 they advised him to look at the legal ethical obligations
13 and make decisions."

14 It appears, and we don't know because we haven't
15 asked the witness who may have prepared this, that this
16 would appear to be a reference to the February 2nd meeting.
17 There is a parenthetical entry that says: "Subtext: If
18 there is no legal obligation, don't."

19 Do you recall whether in fact at the February 2nd
20 meeting the message to Mr. Altman was as clear as that would
21 suggest?

22 A That's not my recollection.

1 Q So to your recollection there was no message to
2 Mr. Altman delivered by the White House staff at the
3 February 2nd meeting that he should not recuse himself
4 unless he was obligated to do so for ethical reasons?

5 A I don't think he was told that.

6 MR. KRAVITZ: I just have one question. How
7 should we go about trying to figure out whose notes these
8 are?

9 THE WITNESS: You should ask Jane Sherburne.

10 BY MR. BRAUNREUTHER:

11 Q With respect to document 888, it appears to be a
12 number of questions relevant to this matter which was
13 prepared on March 3rd, 1994.

14 Do you recall ever having seen that document?

15 A No. I saw it at the end of the time I was
16 looking at the handwritten notes.

17 Q Prior to today and specifically prior to this
18 deposition had you ever seen that document?

19 A I don't think so.

20 Q Do you have any understanding as to why those
21 questions were prepared or any familiarity with discussions
22 on March 3rd with respect to those questions?

1 A I can only speculate.

2 Q You don't have any specific recollection of being
3 involved in discussions regarding the questions which appear
4 on that document?

5 A I don't.

6 Q And you don't have any knowledge as to why that
7 document may have been prepared?

8 A I don't. I don't know anything about this
9 document. I could only speculate.

10 MR. BRAUNREUTHER: I have no further questions.
11 Thank you.

12 MR. KRAVITZ: Do you have anything that you want
13 to ask?

14 MR. MURPHY: No.

15 MR. KRAVITZ: Did you have anything that you
16 wanted to add?

17 THE WITNESS: No.

18 MR. BRAUNREUTHER: I just want to state on the
19 record that we appreciate the fact that you, Mr. Eggleston,
20 and your attorney have both been willing to stay here until
21 9:10. I know you have many other things to attend to.

22 THE WITNESS: Thank you for letting us finish it

1 up tonight, and I mean that quite sincerely, as opposed to
2 having to come back tomorrow.

3 (Whereupon, at 9:10 o'clock p.m., the deposition
4 of W. Neil Eggleston concluded.)

5 * * * * *

6
7 I have read the foregoing pages
8 through ,inclusive, which
9 contain a correct transcript of
10 the answers made by me to the
11 questions therein recorded.
12 Signature is subject to
13 corrections.
14

15 W. NEIL EGGLESTON

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4 * * * * *
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6
7 I, , Notary Public in
8 and for the , do hereby certify
9 that I am notarizing and witnessing signature for the
10 Deposition of W. NEIL EGGLESTON on this day of
11 , 1994.
12

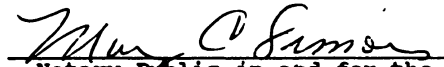
13 Notary Public in and for the
14
15

16 My Commission expires
17
18 * * * * *
19
20
21
22

CERTIFICATE OF NOTARY PUBLIC & REPORTER

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I, MARY C. SIMONS, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn; that the testimony of said witness was taken in shorthand and thereafter reduced to typewriting by me or under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and, further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.


Notary Public in and for the
District of Columbia

My Commission Expires AUGUST 14, 1994

**UNITED STATES SENATE
COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS**

Deposition of W. Neil Eggleston - July 19, 1994

ERRATA SHEET

<u>Page</u>	<u>Line</u>	<u>Change</u>
11	3	"or" to "in the"
11	6	"counsel" to "Counsel"
26	22	"about" to "is"
32	16	"an" to "less than an"
33	12	"Jack" to "Jeff"
33	16	"Ms. Nolan saying" to "the purpose"
37	8	"met" to "meant"
38	21	"would" to "would not"
39	8	"throw" to "throwing"
43	1	"here" to "her"
45	11	"articles" to "issues"
53	9	"contacts" to "contacts with the Treasury or RTC"
61	18	"Congressional" to "Congressional responses"
62	9	"inquiries" to "inquiries related to Madison."
69	4	"has" to "had"
74	1	"know" to "know about it."
75	21	"possible" to "possibly"
78	6	"been" to "been a"

+78	22	"Kay, Scholar" to "Kaye, Scholer"
79	18	"would" to "would say"
83	22	"lot" to "low"
92	19	"Completion Act" to "staff"
99	15	"think" to "thinking"
107	18	"as" to "at"
111	13	"seemed" to "seems"
111	14-15	"you mean anything" to "you mean anything?"
112	11	"before" to "before during"
120	15	"follow" to "followed"
121	5	"is" to "is one where"
121	8	"and" to "and if"
124	21	"if" to "is"
127	3	"that" to "that there"
128	11	"to" to "should"
134	15	"last" to "lasted"
137	6	"it was" to "if it was"
142	1	"said I know" to "said, 'I know.'"
143	20	"2nd" to "2nd meeting"
144	6	"meetings" to "meeting"
150	1	"was" to "was a"
157	1	"know" to "known"

+This change should be made throughout.

164	12	"an" to "and"
164	17	"hearing. This" to "hearing -- this"
173	12	"telling" to "telling me"
175	13	"she" to "he"
180	8	"in the" to "in preparing for the"
180	9	"who" to "of those who"
182	2	"he" to "Mr. Altman"
182	19	"assumed" to "assuming"
184	20	"this" to "the February 2d"
186	14	"meeting the" to "meeting -- the"
186	15	"recusal that" to "recusal -- that"
189	15	"told" to "told me"
191	20	"I remember" to "I don't remember"
196	8	"this" to "limitations"
201	13	"been story" to "been no story"
202	18	"article" to "memorandum"
206	16	"to" to "the"
208	17	"devote" to "Devore"
208	20	"itself" to "the issue"
211	2	"lot" to "lot with"
217	5	"this" to "this memo"
222	17	"had" to "had on"
229	10	"don't" to "don't know"
229	13	"your" to "my"
230	4	"fact" to "factors"
248	5-6	"recusal issue" to "procedural issues"

255	2	"I think" to "I don't think"
256	3	"this" to "these"
256	9	"it was." to "it was so portrayed."
257	20	"hadn't" to "had"
262	1	"opposite," to "opposite from what is implied by your question,"
266	5	"institution" to "institutional"
272	20	"FDIC recusal" to "FDIC conflict issue"
277	13	"that know" to "that I know"
286	20	"real" to "real clear"
289	17	"was" to "was like"

The foregoing corrections should be made to the transcript of my deposition taken on July 19, 1994.


W. Neil Eggleston

103^D CONGRESS
2^D SESSION

S. RES. 229

Authorizing oversight hearings by the Committee on Banking, Housing, and
Urban Affairs.

IN THE SENATE OF THE UNITED STATES

JUNE 16 (legislative day, JUNE 7), 1994

Mr. MITCHELL submitted the following resolution; which was ordered to be
placed on the calendar

JUNE 21 (legislative day, JUNE 7), 1994

Considered and agreed to

RESOLUTION

Authorizing oversight hearings by the Committee on
Banking, Housing, and Urban Affairs.

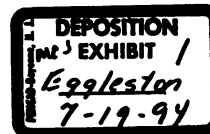
1 *Resolved,*

2 **SECTION 1. SCOPE OF THE HEARINGS.**

3 The Committee on Banking, Housing, and Urban Af-
4 fairs (referred to as the "committee") shall—

5 (1) conduct hearings into whether improper
6 conduct occurred regarding—

7 (A) communications between officials of
8 the White House and the Department of the
9 Treasury or the Resolution Trust Corporation



2

1 relating to the Whitewater Development Cor-
2 poration and the Madison Guaranty Savings
3 and Loan Association;

4 (B) the Park Service Police investigation
5 into the death of White House Deputy Counsel
6 Vincent Foster; and

7 (C) the way in which White House officials
8 handled documents in the office of White House
9 Deputy Counsel Vincent Foster at the time of
10 his death; and

11 (2)(A) make such findings of fact as are war-
12 ranted and appropriate;

13 (B) make such recommendations, including rec-
14 ommendations for new legislation and amendments
15 to existing laws and any administrative or other ac-
16 tions, as the committee may determine to be nec-
17 essary or desirable; and

18 (C) fulfill the Constitutional oversight and in-
19 forming function of the Congress with respect to the
20 matters described in this section.

21 The hearings authorized by this resolution shall begin on
22 a date determined by the Majority Leader, in consultation
23 with the Minority Leader, but no later than the earlier
24 of July 29, 1994, or within 30 days after the conclusion

3

1 of the first phase of the independent counsel's investiga-
2 tion.

3 **SEC. 2. MEMBERSHIP, ORGANIZATION, AND JURISDICTION**
4 **OF THE COMMITTEE FOR PURPOSES OF THE**
5 **HEARINGS.**

6 (a)(1) For the sole purpose of conducting the hear-
7 ings authorized by this resolution, the committee shall
8 consist of—

9 (A) the members of the Committee on Banking,
10 Housing, and Urban Affairs, who shall, in serving as
11 members of the committee, reflect the legislative and
12 oversight interests of other committees of the Senate
13 with a jurisdictional interest (if any) in the hearings
14 authorized in paragraph (1) of section 1 as provided
15 in subparagraph (B);

16 (B)(i) Senator Kerry and Senator Bond from
17 the Committee on Small Business;

18 (ii) Senator Riegle and Senator Roth from the
19 Committee on Finance;

20 (iii) Senator Shelby and Senator Domenici from
21 the Subcommittee on Public Lands, Parks, and For-
22 ests of the Committee on Energy and Natural Re-
23 sources;

24 (iv) Senator Moseley-Braun from the Commit-
25 tee on the Judiciary; and

4

1 (v) Senator Sasser and Senator Roth from the
2 Permanent Subcommittee on Investigations; and

3 (C) the ranking member of the Committee on
4 the Judiciary who shall serve for purposes of consid-
5 ering matters within the jurisdiction of the Commit-
6 tee on the Judiciary, but shall not serve as a voting
7 member of the committee.

8 (2) For the purpose of paragraph 4 of rule XXV of
9 the Standing Rules of the Senate, service of the ranking
10 member of the Committee on the Judiciary as a member
11 of the committee shall not be taken into account.

12 (b) The jurisdiction of the committee shall encompass
13 the jurisdiction of the committees and subcommittees list-
14 ed in subsection (a)(1)(B), to the extent, if any, pertinent
15 to the hearings authorized by this resolution.

16 (c) A majority of the members of the committee shall
17 constitute a quorum for reporting a matter or rec-
18 ommendation to the Senate, except that the committee
19 may fix a lesser number as a quorum for the purpose of
20 taking testimony before the committee or for conducting
21 the other business of the committee as provided in para-
22 graph 7 of rule XXVI of the Standing Rules of the Senate.

23 **SEC. 3. ADDITIONAL STAFF FOR THE COMMITTEE.**

24 (a) The committee, through the chairman, may re-
25 quest and use, with the prior consent of the chairman of

5

1 any committee or subcommittee listed in section
2 2(a)(1)(B), the services of members of the staff of such
3 committee or subcommittee.

4 (b) In addition to staff provided pursuant to sub-
5 section (a) and to assist the committee in its hearings,
6 the chairman may appoint and fix the compensation of
7 additional staff.

8 **SEC. 4. PUBLIC ACTIVITIES OF THE COMMITTEE.**

9 (a) Consistent with the rights of persons subject to
10 investigation and inquiry, the committee shall make every
11 effort to fulfill the right of the public and the Congress
12 to know the essential facts and implications of the activi-
13 ties of officials of the United States Government with re-
14 spect to the matters covered by the hearings as described
15 in section 1.

16 (b) In furtherance of the public's and Congress' right
17 to know, the committee—

18 (1) shall hold, as the chairman (in consultation
19 with the ranking member) considers appropriate and
20 in accordance with paragraph 5(b) of rule XXVI of
21 the Standing Rules of the Senate, open hearings
22 subject to consultation and coordination with the
23 independent counsel appointed pursuant to title 28,
24 parts 600 and 603, of the Code of Federal Regula-
25 tions (referred to as the "independent counsel");

6

1 (2) may make interim reports to the Senate as
2 it considers appropriate; and

3 (3) shall, in order to accomplish the purposes
4 set forth in subsection (a), make a final comprehen-
5 sive public report to the Senate of the findings of
6 fact and any recommendations specified in para-
7 graph (2) of section 1.

8 **SEC. 5. POWERS OF THE COMMITTEE.**

9 (a) The committee shall do everything necessary and
10 appropriate under the laws and Constitution of the United
11 States to conduct the hearings specified in section 1.

12 (b) The committee is authorized to exercise all of the
13 powers and responsibilities of a committee under rule
14 XXVI of the Standing Rules of the Senate and section
15 705 of the Ethics in Government Act of 1978 (2 U.S.C.
16 288d), including the following:

17 (1) To issue subpoenas or orders for the attend-
18 ance of witnesses or for the production of documen-
19 tary or physical evidence before the committee. A
20 subpoena may be authorized by the committee or by
21 the chairman with the agreement of the ranking
22 member and may be issued by the chairman or any
23 other member designated by the chairman, and may
24 be served by any person designated by the chairman
25 or the authorized member anywhere within or with-

7

1 out the borders of the United States to the full ex-
2 tent permitted by law. The chairman of the commit-
3 tee, or any other member thereof, is authorized to
4 administer oaths to any witnesses appearing before
5 the committee.

6 (2) Except that the committee shall have no au-
7 thority to exercise the powers of a committee under
8 section 6005 of title 18, United States Code for im-
9 munizing witnesses.

10 (3) To procure the temporary or intermittent
11 services of individual consultants, or organizations
12 thereof.

13 (4) To use on a reimbursable basis, with the
14 prior consent of the Government department or
15 agency concerned, the services of personnel of such
16 department or agency.

17 (5) To report violations of any law to the ap-
18 propriate Federal, State, or local authorities.

19 (6) To expend, to the extent the committee de-
20 termines necessary and appropriate, any money
21 made available to such committee by the Senate to
22 conduct the hearings and to make the reports au-
23 thorized by this resolution.

24 (7) To require by subpoena or order the attend-
25 ance, as witnesses, before the committee or at dep-

1 sitions, any person who may have knowledge or in-
2 formation concerning matters specified in section
3 1(1).

4 (8) To take depositions under oath anywhere
5 within the United States, to issue orders by the
6 chairman or his designee which require witnesses to
7 answer written interrogatories under oath, and to
8 make application for issuance of letters rogatory.

9 (9) To issue commissions and to notice deposi-
10 tions for staff members to examine witnesses and to
11 receive evidence under oath administered by an indi-
12 vidual authorized by law to administer oaths. The
13 committee, acting through the chairman, may dele-
14 gate to designated staff members the power to au-
15 thorize and issue commissions and deposition no-
16 tices.

17 (c)(1) Subject to the provisions of paragraph (2), the
18 committee shall be governed by the rules of the Committee
19 on Banking, Housing, and Urban Affairs, except that the
20 committee may modify its rules for purposes of the hear-
21 ings conducted under this resolution. The committee shall
22 cause any such amendments to be published in the Con-
23 gressional Record.

24 (2) The committee's rules shall be consistent with the
25 Standing Rules of the Senate and this resolution.

1 **SEC. 6. RELATION TO OTHER INVESTIGATIONS.**

2 In order to—

3 (1) expedite the thorough conduct of the hear-
4 ings authorized by this resolution;

5 (2) promote efficiency among all the various in-
6 vestigations underway in all branches of the United
7 States Government; and

8 (3) engender a high degree of confidence on the
9 part of the public regarding the conduct of such
10 hearing,

11 the committee is encouraged—

12 (A) to obtain relevant information concerning
13 the status of the independent counsel's investigation
14 to assist in establishing a hearing schedule for the
15 committee; and

16 (B) to coordinate, to the extent practicable, its
17 activities with the investigation of the independent
18 counsel.

19 **SEC. 7. SALARIES AND EXPENSES.**

20 Senate Resolution 71 (103d Congress) is amended—

21 (1) in section 2(a) by striking "\$56,428,119"
22 and inserting "\$56,828,119"; and

23 (2) in section 6(c) by striking "\$3,220,767"
24 and inserting "\$3,620,767".

10

1 **SEC. 8. REPORTS; TERMINATION.**

2 (a) The committee shall make the final public report
3 to the Senate required by section 4(b) not later than the
4 end of the 103d Congress.

5 (b) The final report of the committee may be accom-
6 panied by whatever confidential annexes are necessary to
7 protect confidential information.

8 (c) The authorities granted by this resolution shall
9 terminate 30 days after submission of the committee's
10 final report. All records, files, documents, and other mate-
11 rials in the possession, custody, or control of the commit-
12 tee shall remain under the control of the regularly con-
13 stituted Committee on Banking, Housing, and Urban Af-
14 fairs.

15 **SEC. 9. COMMITTEE JURISDICTION AND RULE XXV.**

16 The jurisdiction of the committee is granted pursuant
17 to this resolution notwithstanding the provisions of para-
18 graph 1 of rule XXV of the Standing Rules of the Senate
19 relating to the jurisdiction of the standing committees of
20 the Senate.

21 **SEC. 10. COMMITTEE FUNDING AND RULE XXVI.**

22 The supplemental authorization for the committee is
23 granted pursuant to this resolution notwithstanding the
24 provisions of paragraph 9 of rule XXVI of the Standing
25 Rules of the Senate.

11

1 **SEC. 11. ADDITIONAL HEARINGS.**

2 (a) In the fulfillment of the Senate's constitutional
3 oversight role, additional hearings on the matters identi-
4 fied in the resolution passed by the Senate by a vote of
5 98-0 on March 17, 1994, should be authorized as appro-
6 priate under, and in accordance with, the provisions of
7 that resolution.

8 (b) Any additional hearings should be structured and
9 sequenced in such a manner that in the judgment of the
10 two leaders they would not interfere with the ongoing in-
11 vestigation of Special Counsel Robert B. Fiske, Jr.

○

**DEPOSITION OF
GEORGE R. STEPHANOPOULOS
IN RE: S. RES. 229**

TUESDAY, JULY 19, 1994

**U.S. SENATE,
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
*Washington, DC.***

Deposition of GEORGE R. STEPHANOPOULOS, called for examination pursuant to notice of deposition, at 2:35 p.m. in the Hart Senate Office Building, Room SH-640A, before WENDY S. CASWELL, a Notary Public within and for the District of Columbia, when were present:

**J. WILLIAM CODINHA, Esq.
Majority Special Counsel
BETH O'NEILL MALONEY, Esq.
Majority Counsel
MICHAEL CHERTOFF, Esq.
Minority Special Counsel
RAYMOND NATTER, Esq.
Republican General Counsel
Committee on Banking, Housing, and Urban Affairs
U.S. Senate
On behalf of the Committee.**

**STANLEY M. BRAND, Esq.
Brand & Lowell
923 Fifteenth Street, NW
Washington, DC 20005
On behalf of the Deponent.**

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1 PROCEEDINGS

2 MR. CODINHA: Mr. Stephanopoulos, my name is J.
3 William Codinha. I am the majority counsel on this
4 matter. With me is Ms. O'Neill Maloney, who is also
5 working for the majority; Mr. Michael Chertoff, who is the
6 minority special counsel -- I'm sorry, who's the Republican
7 special counsel; and Mr. Natter, who is counsel to the
8 Republicans.

9 We are conducting an investigation under Senate
10 Resolution 229 into whether improper conduct occurred
11 regarding, A, communications between officials of the White
12 House and the Department of the Treasury or the Resolution
13 Trust Corporation relating to the Whitewater Development
14 Corporation and the Madison Guaranty Savings & Loan
15 Association, B, the Park Service Police investigation into
16 the death of White House deputy counsel Vincent Foster, and
17 C, the way in which White House officials handled documents
18 in the office of White House deputy counsel Vincent Foster
19 at the time of his death.

20 I would tell you that based upon the information
21 we now have, we believe that A will be the subject matter
22 of your deposition, but it may go into other areas.

1 I would like to have marked as an exhibit at this
2 time Senate Resolution 229.

3 (Stephanopoulos Exhibit 1 identified.)

4 MR. CODINHA: The deposition is being taken as a
5 result of a written request from the Senate Banking
6 Committee to the ranking and majority members, Senators
7 Riegle and D'Amato. This deposition is in advance of
8 hearings scheduled to begin on July 28, 1994. You are
9 likely to be called to testify before the Senate Banking
10 Committee at those hearings and you should bear this in
11 mind in planning any of your vacations or anything --

12 THE WITNESS: Yes, the least of my problems.

13 MR. CODINHA: Or anything that you have coming
14 up. And I would like to read in one matter that has come
15 to us from your attorney, which Mr. Chertoff and I have
16 reviewed.

17 Your appearance today, pursuant to the letter
18 requesting your attendance, is not deemed to be a waiver of
19 any right or privilege that would otherwise be available to
20 you had your appearance been pursuant to subpoena. We all
21 understand that. That's lawyer language for making sure
22 that all your rights are protected by your attorney and

1 that's what he gets paid for.

2 I would remind you that you will be under oath
3 when I ask you questions, I will be asking a series of
4 questions and you will be expected to give honest and
5 truthful answers to each of those questions. If you don't
6 understand a question I ask you, identify the portion of it
7 you don't understand and I will rephrase it and try to get
8 it so we both are clear.

9 I would urge you not to guess or speculate
10 because what will happen, if you do, is I will ask
11 follow-up questions. It will then become apparent that you
12 guessed.

13 The stenographer is going to prepare a record of
14 all questions, answers and any objections to this
15 deposition. The transcript of the deposition will be kept
16 committee confidential until the commencement of the
17 hearings, at which time the members will decide how the
18 transcript will be held and whether it will be released.

19 During the course of this deposition you may
20 confer with your counsel. Because these aren't my offices,
21 I don't have a private room for you to use but we will
22 either make this room available to you or other rooms. We

1 may take breaks during this deposition, but with the time
2 frame I would suspect we would just go straight through.

3 Once a transcript of this deposition is
4 completed, which will be tomorrow, it will be available in
5 the Senate -- through the Senate through Kelly Cordes at
6 our office. If you want to review it, it will have to be
7 done here. We can't send it to someplace else. There will
8 be a jurat page attached to it, in case you need to make
9 corrections. Jurat corrections usually refer to changes
10 you make in spelling of names or if you have misspoken. I
11 would tell you, if you make corrections on the jurat page
12 that substantially change your testimony, we may have to
13 get you back in again to redepose you.

14 THE WITNESS: Sure.

15 MR. CODINHA: The scope of this deposition is
16 strictly limited to the scope of the hearings as delineated
17 in Exhibit Number 1. Counsel, your counsel, may make
18 objections as to the form of the question. Objections as
19 to the form will be addressed, meaning that we will ask
20 counsel how he wants it rephrased. Assuming that that
21 falls within what we want to do, we will ask it again.

22 But you will be asked to answer the question at

1 some point. The only other objection which may be made at
 2 this deposition is an objection that the subject matter of
 3 the question is outside the scope of Senate Rule 229. In
 4 the event that a scope objection is made and not resolved
 5 on the record, the question will be asked for the record
 6 and held until the conclusion of the deposition, at which
 7 time it will be brought to the attention of the chairman,
 8 Senator Riegle, or his designee for a final and binding
 9 determination as to whether an answer is required.

10 If a scope objection is made, please do not
 11 answer the question unless you are advised that the
 12 objection has been resolved.

13 Do you understand the terms of the deposition?

14 THE WITNESS: Yes.

15 MR. CODINHA: Would the stenographer please
 16 administer the oath.
 17 Whereupon,

18 GEORGE R. STEPHANOPOULOS
 19 was called as a witness and, having first been duly sworn,
 20 was examined and testified as follows:

21 EXAMINATION

22 BY MR. CODINHA:

1 Q Mr. Stephanopoulos, would you tell us your full
 2 name?

3 A George Robert Stephanopoulos.

4 Q How do you spell your last name, sir?

5 A S-t-e-p-h-a-n-o-p-o-u-l-o-s.

6 Q What is your date of birth?

7 A February 10, '61.

8 Q Your Social Security Number?

9 A

10 Q Where do you live?

11 A Washington.

12 Q Where in Washington?

13 A

14 Q With whom do you live there?

15 A Nobody.

16 Q Prior to coming here, did you talk to anyone
 17 besides your counsel about giving this deposition?

18 A No. Yes, I assume you mean about the substance?

19 Q About the substance of the deposition?

20 A Yes. No.

21 Q You just reported that you were going to be
 22 giving a deposition?

1 A Right.

2 Q Have you been interviewed or given testimony to
3 anyone else, any other investigative body, about the
4 subject matter of Senate Resolution 229?

5 A Yes.

6 Q Have you been interviewed by the Office of
7 Independent Counsel?

8 A Yes.

9 Q Did you give testimony to them?

10 A Yes.

11 MR. BRAND: Let me correct that. He testified
12 before the grand jury. He was not interviewed.

13 THE WITNESS: Oh, that's right, I'm sorry.

14 BY MR. CODINHA:

15 Q Well, let me ask you, what other investigative
16 bodies have you been interviewed by?

17 A The White House and the, I guess the Office of
18 Government Ethics or Treasury Inspector General, whatever
19 you call it.

20 Q When did you testify before the grand jury for
21 the Office of Independent Counsel?

22 A It was a Thursday, I don't know.

1 MR. BRAND: I think April. I can get you the
2 date.

3 MR. CODINHA: Okay.

4 THE WITNESS: Probably March.

5 MR. BRAND: Maybe it was March.

6 BY MR. CODINHA:

7 Q You said -- you said the White House. Have they
8 interviewed you?

9 A Yes.

10 Q Who at the White House interviewed you?

11 A Jane Sherburne and I don't remember the other
12 woman's name.

13 Q Sheila Cheston?

14 A Yes.

15 MR. BRAND: Yes.

16 BY MR. CODINHA:

17 Q When did that occur?

18 A Couple weeks ago. July 4.

19 Q You testified that you had given testimony for
20 the Treasury Inspector General?

21 A Last Friday.

22 MR. CODINHA: Was that a deposition or just

1 questions? It was a deposition?

2 MR. BRAND: And present were a lawyer from the
3 RTC Inspector General and the Treasury.

4 THE WITNESS: Yes.

5 MR. CODINHA: Was a transcription made of that?

6 MR. BRAND: Yes.

7 MR. CODINHA: Have you reviewed the transcript?

8 MR. BRAND: Yes.

9 MR. CODINHA: Do you have a copy of it?

10 MR. BRAND: I don't have it with me, but I have
11 it.

12 MR. CODINHA: Do you object to us having a copy
13 of that?

14 MR. BRAND: No.

15 MR. CODINHA: We would ask that you supply it to
16 us.

17 BY MR. CODINHA:

18 Q Have you been interviewed by any other
19 investigative body?

20 A No.

21 Q We understand that there's also the House of
22 Representatives -- the House of Representatives is doing an

1 investigation but you haven't talked to them?

2 A No.

3 Q Has anything been scheduled for an interview of
4 you?

5 A No.

6 Q On June 22, 1994, the Senate Banking Committee
7 sent you a letter of request for the production of
8 documents. Did you see that?

9 A Yes.

10 Q Did you attempt to obtain any documents in order
11 to comply with that letter request?

12 A Yes. I don't think I have anything relevant.

13 Q Have you reviewed any documents in preparation
14 for this deposition?

15 MR. BRAND: We reviewed his testimony before the
16 Inspector General.

17 BY MR. CODINHA:

18 Q As part of a letter request on July 26 to come
19 and testify here, you were asked to bring a copy of your
20 CV. Did you bring a copy of your CV?

21 A Oh, shoot, no.

22 Q It might be helpful if you could supply that to

1 us. We will append that as an exhibit.

2 A I don't actually have a CV. I have a one-page
3 biography that I send out. Is that all right?

4 Q That's fine. The question I will ask you
5 relating to it is, is it accurate?

6 A Hope so.

7 Q What was the first position that you held in this
8 administration, the Clinton administration?

9 A Director of communications.

10 Q When did you hold that position?

11 A January 20, 1993, until June 1, 1993,
12 approximately to June 1. I am not sure about that.

13 Q What were your duties and responsibilities when
14 you held that position?

15 A Advisor to the president, press spokesman,
16 managed the communications department.

17 Q When you held that position of director of
18 communications, was that director of communications to the
19 White House or --

20 A Assistant to the president and director of
21 communications.

22 Q To whom did you report?

1 A Mack McLarty, the chief of staff, and the
2 president.

3 Q What was your -- was that the channel that you
4 reported -- you reported directly to McLarty?

5 A Yes, he was my boss.

6 Q Or through him to the president.

7 A Yes.

8 Q When you were director of communications, who
9 reported to you?

10 A I had a staff of 54.

11 Q Who reported directly to you, all 54 people?

12 A No. There were four deputies, Jeff Eller for
13 media affairs, David Dreyer for communications, Dee Dee
14 Myers, the press secretary, and there was a fourth, the
15 chief speech writer, David Kusnet, K-u-s-n-e-t.

16 Q What was the next position that you held in the
17 administration after June 1, 1993?

18 A Senior advisor for policy and strategy. Senior
19 policy advisor.

20 Q What were your duties and responsibilities as
21 senior policy advisor?

22 A President's political and policy advisor.

1 Q On any particular subject?

2 A Every issue.

3 Q Every issue. How long did you hold that
4 position?

5 A As of the moment I walked into this room, I still
6 held it.

7 Q To the present. As senior policy advisor to the
8 president, to whom did you report?

9 A Chief of staff, Mack McLarty.

10 Q At a certain point, did that change?

11 A Well, it's changed in the last week. Now I
12 report to Leon Panetta, chief of staff.

13 Q Do you still have any reporting responsibilities
14 to Mr. McLarty?

15 A Directly to McLarty?

16 Q Yes.

17 A No. I work closely with him but not to report to
18 him.

19 Q To whom did you report through Mr. McLarty as
20 senior policy advisor?

21 A To the president.

22 Q Did you report directly to the president?

1 A (No verbal response.)

2 Q Was there anyone else to whom you reported?

3 A No.

4 Q As senior policy advisor, who reported to you?

5 A Nobody.

6 Q When you were director of communications, who was
7 the White House counsel?

8 A Bernie Nussbaum.

9 Q In the hierarchy of the White House, what were
10 his reporting requirements as they affected you? Did he
11 report through you or just independently?

12 A No, independent. We were both assistants to the
13 president.

14 Q If you were to look at a hierarchal tree, would
15 you have been on the same level?

16 A I suppose, yes.

17 Q You said Mr. McLarty was the chief of staff?

18 A Yes.

19 Q Were there several advisors to the president
20 during the time when you were director of communications?

21 A When I was director of communications, Bruce
22 Lindsey, I think, was advisor to the president. That was

1 all.

2 Q Was Harold Ickes, at that point?

3 A No.

4 Q Do you know an individual by the name of Gearan?

5 A Mark Gearan, sure.

6 Q Who's Mark Gearan?

7 A Now he is the director of communications. He was
8 deputy chief of staff when I was director of
9 communications.

10 Q Did he replace you after June 1?

11 A Yes.

12 Q During the time you were director of
13 communications, did you have regular access to the
14 president?

15 A Yes.

16 Q Did you require appointments to see the
17 president?

18 A No.

19 Q Are your meetings with the president, during the
20 time you were director of communications, reflected in
21 calendars, diaries or notes?

22 A I suppose maybe in his. Office of the President.

1 Q I am really asking about yours at this point.

2 A They certainly wouldn't -- it certainly wouldn't
3 be inclusive, whatever records there were. There was no
4 way they would cover all the communications.

5 Q What types of records did you keep when you were
6 director of communications that would reflect your daily
7 events? Did you keep a daily calendar?

8 A Not consistently. I mean, I might have a
9 schedule some days.

10 Q Did you keep schedules?

11 A I might. My assistant would schedule me for
12 meetings.

13 Q Did you keep "to-do" lists?

14 A Sometimes, irregularly.

15 Q Who would have control of those items?

16 A Control?

17 Q Yes. In other words, you indicated you had an
18 assistant who did it or a secretary who did it?

19 A Yes. I mean, if I -- my notes, if I saved them,
20 they would be filed. If I threw them out, they would be
21 gone.

22 Q Did you have a secretary during this time

1 period --

2 A Sure.

3 Q -- when you were director of communications?

4 A Yes.

5 Q Who was that?

6 A Heather Beckel, an assistant, not a secretary.

7 Q When you would take notes, would you give them to
8 your assistant to keep for you?

9 A Sometimes. Sometimes I would throw them out.

10 Q How did you make a determination what you keep
11 and what you throw out?

12 A If I thought it would be useful.

13 Q When you were -- as you were director of
14 communications, were you expected to play a liaison role
15 with other executive branch agencies?

16 A Sure.

17 Q Was that part of your duties and
18 responsibilities?

19 A Well, the department would have to coordinate
20 other communications departments throughout the government,
21 make sure they knew what they were doing.

22 Q As a senior policy advisor to the president --

20

1 A Can I stop for one minute. Maybe you are
2 switching over, but how is the director of communications
3 stuff relevant to the context of the scope of the hearing?

4 Q Well, I would tell you that during the time
5 period when you were director of communications, there were
6 at least some contacts that we know of --

7 A Oh, okay.

8 Q -- that were coming into Treasury.

9 A Okay.

10 Q We just have to examine this.

11 A Okay.

12 Q I didn't start before January 20.

13 A Right.

14 Q As you were considered policy advisor, did you
15 maintain your access to the president?

16 A Yes.

17 Q You still had access without having to schedule
18 appointments?

19 A Yes, generally I would schedule appointments.
20 But if something came up, I would see him.

21 Q Did you see the president regularly?

22 A Yes.

1 Q Did you have access to the first lady?

2 A Yes.

3 Q Did you see the first lady regularly?

4 A Not as much as the president, but, yes.

5 Q The Senate Resolution 229 uses the terms Madison

6 Guaranty Savings & Loan and Whitewater Development

7 Corporation. Have you heard those terms before?

8 A Sure.

9 Q I am not going to ask you before January 20 of
10 1993 when you first heard those terms, so whatever I am
11 asking you begins January 20 of 1993 and moves on.

12 When did you first hear the terms Madison
13 Guaranty Savings & Loan, Madison, Whitewater Development
14 Corp. or Whitewater after January 20 of 1993?

15 A First hear the words?

16 Q Yes.

17 A Sometime in the summer of 1993.

18 Q What were the circumstances that you heard them?

19 A I honestly don't remember. I assume it would
20 come at some point in the newspaper reporting, I don't even
21 remember when The Washington Times first started writing
22 about the things with Vince. That may have been December.

1 But I clearly know that in late October The Washington Post
2 wrote a story about some investigation of Madison. That's
3 when it, you know -- saying you heard the words, I mean,
4 jeez.

5 Q Let me see if I can refine that some. When was
6 the first time you heard Madison Guaranty Savings & Loan,
7 Madison, Whitewater Development Corp. or Whitewater from a
8 government employee, anyone -- any executive branch?

9 A It wouldn't have been before The Washington Post
10 story in late October, right around that time.

11 Q Did you have contact in the March time frame,
12 March of '93, with Bernie Nussbaum?

13 A Sure.

14 Q Did you have any contacts with him relative to
15 Whitewater or Madison that you can now recall?

16 A Not that I can remember, no.

17 Q We have developed some information that
18 Mr. Nussbaum faxed -- strike that, that Mr. Altman faxed on
19 March 3, a New York Times article about -- I'm sorry, on
20 March 23, faxed from Mr. Altman to Mr. Nussbaum a New York
21 Times article which was entitled "Clinton defends real
22 estate deal" which dealt with Madison or Whitewater. Was

1 that brought to your attention?

2 A Not that I can remember.

3 Q Was that the sort of thing that would be brought
4 to your attention as communications director?

5 A It's the sort of thing I would have read in the
6 paper. I don't need somebody to send a fax to me.

7 Q Does that refresh your memory at all that you
8 were reading something in the paper that time?

9 A No.

10 Q Did you have any conversations with Mr. Altman --
11 strike that.

12 Do you know who Roger Altman is?

13 A Yes.

14 Q Did you have any conversations with Mr. Altman in
15 or around the March time frame about Whitewater or
16 Madison?

17 A Not that I can remember.

18 Q Have you had any contact since January 20, 1993,
19 concerning Whitewater or Madison, and as I use those terms
20 I am referring to Senate Resolution 229.

21 A I will just say right now for me, I often have to
22 separate those two, because they don't mean the same thing

1 to me. Sometimes they get merged, sometimes they don't.

2 Q As I use it, I am talking about Whitewater
3 Development Corporation or Madison Guaranty Savings & Loan,
4 two separate issues.

5 A Yes, right.

6 Q Since January 1993, have you had any contact
7 concerning either Whitewater or Madison with anyone from
8 the RTC?

9 A Not to my knowledge.

10 Q Do you know what the RTC is?

11 A Sure.

12 Q Do you know William Roelle, R-o-e-l-l-e?

13 A No.

14 Q Do you know Jack Ryan?

15 A No.

16 Q Do you know Ellen Kulka?

17 A No.

18 Q Do you know April Breslaw?

19 A No.

20 Q You have indicated that you know Roger Altman.
21 When did you first meet Roger Altman?

22 A I may have met him in 1988, but I got to know him

1 in 1991.

2 Q Have you had any contact concerning Whitewater or
3 Madison with Roger Altman?

4 A Yes.

5 Q Do you know who Jean Hanson is?

6 A I know who she is.

7 Q Have you had any contact with Jean Hanson about
8 Whitewater?

9 A No.

10 Q Do you know who Lloyd Bentsen is?

11 A Sure.

12 Q Have you had any contact with Lloyd Bentsen about
13 Whitewater or Madison?

14 A Not that I can remember.

15 Q Is there anyone else from the Department of the
16 Treasury that you had any contact concerning Whitewater or
17 Madison with?

18 A I don't think so.

19 MR. BRAND: Excuse us a second.

20 (Witness consulted with counsel.)

21 THE WITNESS: Yes, obviously. I'm sorry.

22 BY MR. CODINHA:

1 Q Is there an addition you would like to make?

2 A Josh Steiner.

3 Q I would add, I will attempt to always, whenever
4 we have a break, ask you if there's anything you would like
5 to expand or alter in your communications. Obviously, if
6 there's something you recall after we passed it, just add
7 to the record. It just makes it simpler.

8 Prior to February 24 of 1994, were you aware of
9 any contacts, meaning oral or written communication,
10 telephone calls, letters, memos, faxes, meetings, between
11 the White House and the Treasury?

12 A Of any kind?

13 Q Relating to White House and Madison.

14 A Okay.

15 Q All my questions are qualified.

16 MR. BRAND: Qualified.

17 THE WITNESS: Okay, fine. Nothing specific.

18 BY MR. CODINHA:

19 Q Were you aware of any contacts as they have been
20 defined, oral or written communications, telephone calls,
21 letters, memos, faxes, meetings, between the White House
22 and the RTC prior to February 24?

1 A Again, not specifically, no.

2 Q With the understanding that I am talking only
3 about the Senate resolution?

4 A Yes.

5 Q Now, I have already asked you about the
6 February -- I'm sorry, the March 23, 1993, Altman fax to
7 Nussbaum, the New York Times -- of The New York Times
8 article. You said you didn't know about that?

9 A Yes.

10 Q Were you aware of a September 29, 1993, meeting
11 between Mr. Nussbaum, Mr. Sloan and Ms. Hanson?

12 A Not at the time.

13 Q Have you since become aware of it?

14 A Sure, it's been in the paper.

15 Q Have you become aware of it through any source
16 other than the newspapers?

17 A No.

18 Q Have you discussed it with any people from the
19 White House?

20 A It's been the subject of newspaper articles so I
21 am sure it's been discussed in meetings, but, you know.

22 Q Have you discussed the 9/29 meeting with

1 Mr. Nussbaum?

2 A No.

3 Q Have you discussed the 9/29 meeting with
4 Mr. Sloan?

5 A No.

6 Q Have you discussed the 9/29 meeting with
7 Ms. Hanson?

8 A No.

9 Q Between the 9/29 --

10 A I just want to amend, before you said was I aware
11 of contacts. Obviously I have read about all of these
12 things in the newspaper, so what I am trying to do is --

13 Q No. My question was limited, did you know about
14 them before the February 24 testimony. Since February 24,
15 I know there's the newspaper articles. But that was
16 focused on the February 24 testimony where Mr. Altman
17 disclosed the contact.

18 A Right. That's why -- I guess I have to state not
19 specifically. I knew there were letters from the Senate
20 coming up, and obviously people were figuring out how to
21 answer them, but I just didn't know of anything
22 specifically.

29

1 Q With respect to the time period between September
2 29 and October 14, were you aware of contacts from
3 Ms. Hanson at Treasury to Mr. Sloan or Mr. Eggleston at the
4 White House?

5 A No.

6 Q Were you aware of the October 14 meeting between
7 Ms. Hanson, Mr. Steiner, Mr. DeVore, Mr. Nussbaum,
8 Mr. Sloan, Mr. Gearan and Mr. Lindsey?

9 A No.

10 Q Now, did any of those people report directly to
11 you?

12 A No.

13 Q To whom did Mr. Gearan report?

14 A Chief of staff.

15 Q So at this time you had changed your position?

16 A Yes.

17 Q When did you first become aware of the October 14
18 meeting?

19 A I think when it was reported in the papers.

20 Q Was that the source of your information?

21 A Initially.

22 Q Have you discussed the October 4 meeting -- I'm

30

1 sorry -- the October 14 meeting with Ms. Hanson?

2 A No.

3 Q Have you discussed the October 14 meeting with
4 Mr. DeVore?

5 A No.

6 Q Do you know who Mr. DeVore is?

7 A Sure.

8 Q Have you discussed the October 14 meeting with
9 Mr. Nussbaum?

10 A No.

11 Q Have you discussed the October 14 meeting with
12 Mr. Sloan?

13 A No.

14 Q Have you discussed the October 14 meeting with
15 Mr. Gearan?

16 A No.

17 Q Have you discussed the October 14 meeting with
18 Mr. Lindsey?

19 A No.

20 Q Have you discussed the October 14 meeting with
21 Mr. Steiner?

22 A No.

31

1 Q Did you become aware in January, on or about
2 January 3 that certain FOIA requests had been sent to the
3 White House by the Treasury Department --

4 A No.

5 Q -- relating to Madison or Whitewater?

6 A I don't remember.

7 Q Is that the sort of thing that you would be
8 informed of?

9 A Not necessarily, no.

10 Q If they were sent from Mr. Steiner to
11 Mr. Lindsey, did you become aware of those?

12 A No. Again, not that I can remember.

13 Q Did you become aware in January -- do you know
14 who Eugene Ludwig is?

15 A Yes.

16 Q Did you know who Eugene Ludwig was in January of
17 1994?

18 A Vaguely.

19 Q You may have seen newspaper reports today or
20 yesterday dealing with Mr. Ludwig's conversations with the
21 president of the United States.

22 A No.

32

1 Q Were you aware of those at or around the time
2 that they were happening?

3 A No.

4 Q Do you know what Renaissance Weekend is?

5 A Sure do.

6 Q Were you an attendee at Renaissance Weekend?

7 A No.

8 Q Did you become aware in January of 1994 of weekly
9 reports that were being made to the Treasury and passed on
10 to the White House about Madison issues?

11 A No.

12 Q Were you aware of the February 2, 1994 meeting
13 between Mr. Altman, Ms. Hanson, Mr. Nussbaum and
14 Mr. Eggleston?

15 A No.

16 Q Have you had conversations with any of those
17 people --

18 A No.

19 Q -- about that meeting?

20 A No.

21 Q Do you know about the February 3, 1994, meetings,
22 which occurred, the first one involving Mr. Altman,

1 Mr. Ickes, Mr. Eggleston and Ms. Williams?

2 A No.

3 Q Have you had any conversation with those
4 people --

5 A No.

6 Q -- about that first meeting. Are you aware of a
7 second meeting which occurred on February 3 -- or at least
8 a conversation, because it has been variously described as
9 a meeting and a conversation, somewhere between the two --
10 between Ms. Hanson, Mr. Ickes, Mr. Eggleston and
11 Ms. Williams?

12 A No.

13 Q Have you had any conversations with them about
14 that meeting?

15 A No.

16 Q When did you first become aware that Mr. Altman
17 was considering recusing himself from Madison matters?

18 A Sometime in February. I would say late February,
19 only because I knew that a letter had been sent up from, I
20 think, the minority on the Banking -- whichever committee
21 he was testifying before, and because of that, it had
22 become an issue.

1 Q Your source of information was the letter?

2 A Yes, and it was a news article because of that.

3 Q Did you have any discussions with anyone in the
4 White House about Mr. Altman considering recusing himself?

5 A Not that I can remember.

6 Q Were you part of any group that was meeting about
7 Mr. Altman or recusing himself?

8 A No.

9 Q Were you aware that any group was meeting or
10 about Mr. Altman recusing himself?

11 A I knew it was an issue but I didn't know exactly
12 how it was handled.

13 Q Did you seek to gain any information about
14 Mr. Altman's recusal, in the January time frame?

15 A In January? No.

16 Q I'm sorry. You said February was the first time
17 you knew of it.

18 A Again, I was involved in a lot of other things.
19 I knew it was something that was being discussed. I
20 assumed. In relation to the hearings, I didn't really know
21 where, when. It wasn't something that was near the top of
22 things that I was concerned about. I just didn't have to

1 deal with it.

2 Q Did you discuss Mr. Altman's possible recusal
3 with the president of the United States?

4 A Not that I can remember, no.

5 Q Did you discuss his possible recusal with anyone
6 else in the White House that you can recall?

7 A Not that I can recall, again.

8 Q Do you recall having -- now, it's been reported
9 that you and Mr. Steiner are personal friends.

10 A Yes.

11 Q Do you consider Mr. Steiner a friend of yours?

12 A Yes.

13 Q Do you recall having any conversations with
14 Mr. Steiner in about the middle of February, around
15 February 16, concerning Madison or Whitewater?

16 A I don't remember.

17 Q You just don't remember having any?

18 A I am not saying it's impossible, I don't remember
19 any specific conversation.

20 Q Do you recall discussing whether Steiner was
21 seeking your views on Mr. Altman's recusal?

22 A Again, I have no specific memory of a

1 conversation.

2 Q What is your -- what was your relationship with
3 Mr. Steiner on or about the 16th of February?

4 A I would see him if he came to the White House or
5 if he called with specific matters, you know, just
6 information, more than anything else. He was essentially
7 somebody I would call at Treasury if I needed information
8 about a matter that I was working on, or was working on or
9 was concerned about.

10 Q Did you contact him frequently? When I say
11 contact, I am not using it in a derogatory fashion.

12 A I suppose it would probably be -- once or twice a
13 week we would probably talk about something, you know, but
14 there's also -- could have seen him in hallways, or for
15 staff meetings of some sort.

16 Q Did you ever become aware of the fact that
17 Mr. Steiner -- strike that.

18 Did you ever become aware of the fact that
19 Mr. Altman was having a tough time deciding whether to
20 recuse himself from Madison or not?

21 A Again, vaguely. It wasn't anything that I was
22 directly involved in. It was nothing that I had any direct

1 work on.

2 Q Did you ever become aware of the fact that
3 Mr. Altman had sought ethical opinions on whether he should
4 recuse himself from the Madison matter?

5 A Only in the aftermath.

6 Q So you didn't know it at or about the time it was
7 happening?

8 A No.

9 Q Were you aware of Ms. Hanson's recommendations --

10 A No.

11 Q -- to Mr. Altman that he recuse himself?

12 A No.

13 Q I am sure your lawyer will concur in this, I will
14 tell you, if you will wait until I finish asking the
15 question before answering, that would be better. Otherwise
16 we will have a confused record.

17 A I'm sorry. All right.

18 Q Do you know who Jay Stephens is?

19 A Yes.

20 Q Had you ever met Jay Stephens?

21 A Not that I know of. No, I don't think so.

22 Q Who do you know Jay Stephens to be?

1 A Jay Stephens is a former United States attorney
2 and White House employee under President George Bush and
3 maybe Reagan, I am not sure who. Like all of the U.S.
4 attorneys at the beginning of President Clinton's terms, he
5 was asked to submit his resignation and proceeded to launch
6 a very public attack on President Clinton for that action.
7 He is also the, I guess, the prosecutor of, one of the
8 original ones, of Dan Rostenkowski and, I guess, Marion
9 Barry.

10 Q Do you recall learning that the RTC had selected
11 Mr. Stephens and his firm -- is it Pillsbury, Madison -- to
12 be outside counsel on the Madison matter?

13 A I recall learning that he had been hired in some
14 way. I didn't know the firm or anything.

15 Q Jay Stephens had been hired?

16 A That Jay Stephens had been hired in some fashion.

17 Q How did you learn that?

18 A I don't know. I heard it sometime in late
19 February. I suppose at the White House, I don't remember
20 from who or how.

21 Q When you heard it, what did you do? What, if
22 anything, did you do?

1 A Nothing initially.

2 Q How long did the initial phase of doing nothing
3 last?

4 A Probably about a day, maybe less than a day. On
5 Friday, whatever the date was, February 25, I was having a
6 conversation with Josh Steiner about another matter, I
7 believe, and in the course of that conversation, I asked
8 how Jay Stephens came to be hired by the RTC.

9 Q The matter that you were calling Mr. Steiner
10 about in the first place, was that Mr. Altman's recusal?

11 A I am not even sure I was calling him. I was
12 talking to him about it.

13 Q The matter that you were talking to Mr. Steiner
14 about.

15 A Yes.

16 Q It was a telephone conference?

17 A Yes.

18 Q During that conversation, had you called him
19 about the Altman recusal?

20 A Again, I don't know if I called him or he called
21 me. I just don't know.

22 Q Thank you for the correction, but during the

1 course of the conversation, was the subject matter the
2 Altman recusal?

3 A Not exactly.

4 Q Well, as best you can recall.

5 A What it was was in the course of that
6 conversation I learned that Roger Altman had given an
7 interview to Howell Rains of The New York Times saying that
8 he would recuse himself, and that was the first I had heard
9 about the reversal in his position, and it was a discussion
10 about that, basically.

11 Q So you learned that in the telephone call?

12 A I believe so, yes.

13 Q What was said about that?

14 A He told me.

15 Q So Mr. Steiner was the source of your information
16 that Mr. Altman was going to recuse himself --

17 A Had recused himself.

18 Q -- or had already done --

19 A Well, if you told Howell Rains, you had recused
20 yourself.

21 Q How long did that telephone conversation last?

22 A Somewhere between 30 seconds and two minutes -- I

1 don't know.

2 Q What was your response to being informed about
3 the fact that Mr. Altman was telling Mr. Steiner he had
4 told Mr. Rains he was going to recuse himself or was going
5 to recuse himself?

6 A Well, thanks for letting me know. I was puzzled
7 by why they would tell The New York Times before they told
8 anybody else, because, essentially, there had been press
9 guidance going out the whole day defending the recusal.
10 That's what the whole -- you know, that's the way the
11 questions were being answered. So it was a difficult
12 situation.

13 Q There was press guidance going out the whole day
14 defending the position that Mr. Altman shouldn't recuse
15 himself?

16 A No. Well, he had not recused himself. Obviously
17 press questions were coming in. You had to answer them.
18 We were answering them one way, which was made inoperative
19 by what he had done. It would have been helpful to know
20 before.

21 Q Were you coordinating that press guidance?

22 A Not really, but I knew about it.

1 Q When had you begun to know about the press
2 guidance involving the recusal issue?

3 A I suppose that morning, you know, it was in a
4 staff meeting or whatever, when you say what's in the news
5 today, that was a big thing in the news.

6 Q And February 25 was the first day that the
7 recusal issue sort of hit the radar screen?

8 A It was the day after the hearing, yes, the first
9 day it was really out there in the public arena, you know.

10 Q Had there been an anticipation that the recusal
11 issue would need to be defended?

12 A You never know. In fact, my memory of the
13 initial reporting of the hearing, that wasn't really the
14 top tough issue. I don't even remember what the top one
15 was. But I don't remember it really popping out right
16 away.

17 Q In this February 25 telephone call that you had
18 with Mr. Steiner, what other subjects were discussed?

19 A Well, I asked him how Jay Stephens came to be
20 hired. I was anticipating that we were going to get press
21 questions on that as well. I just wanted the facts.

22 Q What was Mr. Steiner's response?

1 A He said something about an independent board,
2 that he was chosen by some independent board. I don't
3 remember exactly what it was. That's what I remember
4 taking away from it.

5 Q What response did you make to that?

6 A Okay.

7 Q Was it that mild?

8 A Oh, no. I was very angry in the phone
9 conversation.

10 Q What were you angry about?

11 A I just couldn't understand how Jay Stephens could
12 have been hired. I thought it was a pure conflict of
13 interest.

14 Q What was the -- you understood Mr. Stephens was
15 hired by the RTC; right?

16 A Sort of. I mean, I just knew, yes. I think
17 that's what I knew. I knew that he had been hired in some
18 fashion. I thought it was outrageous.

19 Q Why would you be putting the question to
20 Mr. Steiner rather than to the RTC about why he had been
21 hired, why Stephens had been hired?

22 A I never called the RTC. I wouldn't think to call

1 the RTC. I was looking for information and Steiner was the
2 guy I usually called when I needed information.

3 Q As best you can recall, would you tell us the
4 conversation, what you said to him and what he said to you
5 about the two subjects?

6 A I don't really remember the specifics of the
7 conversation that well. I know that I was -- and beyond
8 The New York Times thing, it was -- there was not much to
9 say that was done. I just wondered what happened, what
10 time did it happen, what do we do. On the Jay Stephens
11 thing, I wanted to know how it happened. I was
12 anticipating questions from the press saying how could this
13 be, how could you possibly hire an avowed opponent of the
14 president who has all but accused him of obstruction of
15 justice to look into this matter? It was nonsensical to
16 me. And I got the answer, and that was it.

17 Q Were you asking the question how was Jay Stephens
18 hired out of idle curiosity?

19 A No. I was anticipating that the next day or that
20 afternoon or whenever it broke that Ann Devroy or Doug
21 Jehl, or whatever, from the newspapers, would say how could
22 this be, how did this guy get hired?

45

1 Q Wouldn't the normal response to that be that the
2 RTC is an independent agency, ask them? If you can help me
3 with that. That seems to me to be the logical way you
4 would answer the question.

5 A You could say that. You could also say here is
6 what they said, go talk to them about it. It's helpful to
7 know. If you don't have the answer, they are going to
8 press you for the answers anyway so eventually you have to
9 find out what the answer is.

10 Q At that point you understood that the RTC was an
11 independent agency. It wasn't an office of the White
12 House?

13 A Certainly, and I wouldn't call them.

14 Q Did you discuss any other subjects with
15 Mr. Steiner on the telephone that day that you can now
16 recall?

17 A Not that I can remember.

18 Q With respect to Mr. Altman's recusal decision,
19 did you make any recommendations to Mr. Steiner?

20 A Not that I can remember, no.

21 Q Do you recall recommending to him that the
22 president -- that Mr. Steiner -- strike that.

46

1 Do you recall recommending to him that Mr. Altman
2 should write a letter to the president explaining what he
3 had done?

4 A No. I think I suggested that directly to
5 Mr. Altman.

6 Q Do you recall, in your discussions about
7 Mr. Stephens, anything further that you said at that time?

8 A No.

9 Q Do you recall asking Mr. Steiner whether you
10 could get rid of Mr. Stephens?

11 A No.

12 Q Do you recall asking Mr. Steiner whether you
13 could fire Mr. Stephens?

14 A No.

15 Q Or whether he could fire Mr. Stephens?

16 A No.

17 Q Do you believe that that didn't happen?

18 A I just don't remember it. I remember wanting to
19 get the facts. I remember being angry. I remember getting
20 the facts and that was the end of the conversation.

21 Q With respect to Mr. Steiner's decision to recuse
22 himself --

1 A Mr. Altman's decision.

2 Q I'm sorry. Mr. Altman's decision. I am not
3 doing very well today. With respect to Mr. Altman's
4 decision to recuse himself, did you become aware at any
5 time that sometime before February 24, Mr. Ickes had
6 indicated to Mr. Altman that it would be fine if he recused
7 himself?

8 A No.

9 Q When you received the information about
10 Mr. Stephens, what did you do with that information?

11 A Nothing immediately.

12 Q Did you talk to anyone in the White House about
13 that information?

14 A Not that I can remember.

15 Q Did you talk to the president about that
16 information?

17 A At the end of the day, it was a Friday afternoon,
18 I may have just reported to him on the events of the day,
19 like I do a lot of days, and let him know what happened,
20 and that was all.

21 Q You indicated that you may have directly told
22 Mr. Altman that he should write a letter to the president.

1 How did that conversation take place?

2 A It was a conference call. Harold Ickes and I
3 were on the phone with him.

4 Q When was that?

5 A Same day.

6 Q February 25?

7 A Yes.

8 Q Was it before or after the call with
9 Mr. Steiner?

10 A I don't remember.

11 Q What were the circumstances that the phone call
12 was made?

13 A It was in my office.

14 Q Did you place the call?

15 A I don't remember.

16 Q Who, on your side, there was --

17 A Harold and I.

18 Q Yourself and Harold Ickes?

19 A Yes.

20 Q What was your purpose or what was the purpose in
21 making the call?

22 A Again, I don't know who made it or if he made it

1 or we did it, just to find out what happened.

2 Q Does that indicate to you that it was before you
3 had spoken to Steiner the first time?

4 A No. Because it was a -- well, it could have
5 been. Steiner probably was first, because I knew that --
6 when I was on with Roger, I knew that he had talked to
7 Howell Rains. I just wanted to know what he told Howell
8 Rains and, you know, what the story was.

9 Q Had you asked Mr. Ickes to be present for that
10 telephone call?

11 A Not that I remember. I assume he was just there.

12 Q Who was on the side of the phone with Mr. Altman,
13 if you know?

14 A All I know about is Roger.

15 Q So as far as you know it wasn't a conference call
16 on his side?

17 A Right.

18 Q What was said -- who said what to whom during
19 that call?

20 A All I remember of the conversation is I suggest
21 that you write a letter to the president, essentially
22 explaining what happened, as a courtesy.

1 Q Did you have any discussions with Mr. Altman
2 about his decision to recuse himself?

3 A No.

4 Q Did you explain to Mr. Altman that your office,
5 the Office of the President had been busy putting out
6 information defending his recusal position and he had gone
7 to talk to Mr. Rains in the meantime changing all of that?

8 A I don't know that was the issue that we
9 discussed. I don't remember what I said.

10 Q Were you angry during that telephone call?

11 A Not particularly.

12 Q Was Mr. Ickes angry during that telephone call?

13 A Not that I remember.

14 Q Did Mr. Ickes speak during that telephone call?

15 A I assume so. I don't remember what he said.

16 Q Did you report, during that telephone call, to
17 Mr. Altman anything about the president's state of mind?

18 A Not that I remember.

19 Q Did you report to Mr. Steiner, in the first
20 telephone call, anything about the president's state of
21 mind?

22 A Not that I remember.

1 Q Or words to the effect that the president was
2 furious about the recusal stated during either of those
3 telephone calls?

4 A I don't think so, not that I remember.

5 Q Was there any discussion, during the second
6 telephone call, about getting rid of Mr. Stephens?

7 A Not that I can remember.

8 Q Was there any discussion during the second
9 telephone call about firing Mr. Stephens?

10 A Not that I can remember.

11 Q You have indicated you know Mr. Steiner. Did you
12 know that he kept a diary?

13 A No. Off the record a second.

14 (Discussion off the record.)

15 BY MR. CODINHA:

16 Q I think my question to you was, are you aware
17 that Mr. Steiner kept a diary?

18 A Now I am.

19 Q You mean today is the first time you have heard
20 Mr. Steiner kept a diary?

21 A No, I wasn't aware. I mean, I became aware
22 sometime between February 25 and today.

1 Q I am not the first person who ever told you that
2 Mr. Steiner kept a diary?

3 A No, no, no.

4 Q Mr. Steiner -- if I were to inform you that when,
5 in Mr. Steiner's words, "Harold and George called to say
6 that the president was furious about the issue to recuse
7 himself," do you know where Mr. Steiner got that
8 information?

9 A No. I suppose he could infer it from the
10 suggestion to write a letter.

11 Q If Mr. Steiner were to put in his diary "they
12 also asked how Jay Stephens, the former USA had been hired
13 to be outside counsel on this case, simply outrageous that
14 RTC had hired him but, even more amazing, when George
15 suggested to me that we needed to find a way to get rid of
16 him." Do you recall suggesting that you should get rid of
17 him?

18 A No, I don't remember that.

19 Q "Persuaded George that firing him would be
20 incredibly stupid and improper." Do you recall being
21 persuaded?

22 A I recall getting the facts of how he was hired.

1 Q But you don't recall Mr. Steiner persuading you
2 that firing him would be incredibly stupid and improper?

3 A I don't recall discussing that, no.

4 Q Do you value Mr. Steiner's opinions?

5 A Sometimes.

6 Q Is that the sort of subject that Mr. Steiner
7 would give you his opinion on?

8 A Again, I would call him to get information almost
9 all the time. That's, as far as I was concerned, what I
10 needed to get.

11 Q So you have no idea where Mr. Steiner would have
12 gotten the information to put in his diary?

13 A No, as I said, I was very puzzled by this
14 decision. I did believe the decision to hire him -- I
15 couldn't understand it. I thought it was outrageous. I
16 thought it was a pure conflict of interest. I was angry in
17 the telephone call. Once I got the facts, that ended the
18 matter.

19 Q Were you aware -- strike that.

20 When did you become aware of Roger Altman's
21 February 24 testimony before the Banking Committee?

22 A Oh, I suppose I was peripherally aware of it that

1 way. It was on the 24th, I suppose, and then his report
2 was on the 25th.

3 Q After you became aware of Mr. Altman's testimony,
4 did you attempt to obtain the facts relating to his
5 testimony?

6 A That day?

7 Q Sometime after you became aware of it?

8 A No, not really, no.

9 Q Did you become aware sometime after February 24
10 of Mr. Altman's attempts to enlarge the record of his
11 testimony?

12 A That was in the newspaper, sure.

13 Q His letter writing campaign?

14 A Yes.

15 Q When did you become aware of his letter writing
16 campaign?

17 A About that time.

18 Q Did you have any direct involvement in
19 Mr. Altman's attempt to enlarge the record?

20 A No.

21 Q Did you review the letters Mr. Altman was sending
22 in order to enlarge the record?

1 A Not that I can remember.

2 Q Did you receive copies of the letters that
3 Mr. Altman was sending to enlarge the record?

4 A Not that I can remember.

5 Q I would just inform you that one of the very few
6 things that were produced from the White House, which was
7 identified as coming from your files, are copies of the
8 March 2 and March 3 Altman letters to Riegle.

9 A It's very possible, you know, I get 300 pieces of
10 paper through my office a day. That's why I said I don't
11 really remember. I am not denying getting it, I just don't
12 remember getting it.

13 Q I am -- my question is -- I am not denying that
14 you got it. My question is, why would you keep it?

15 A I don't remember.

16 Q Was Mr. Altman a friend of yours?

17 A Friendly, yes. I mean, yes.

18 Q Did you attempt at any time to assist
19 Mr. Altman --

20 A Let me just go back a question. The only reason
21 that I could think that I would keep something like that
22 is, again, when you are getting questions, the best thing

1 to go back to is an actual document for consistencies.

2 That might have been the reason that I kept it.

3 Q If what you were trying to do was to obtain the
4 facts in order to answer questions, why wouldn't you have
5 gone to the individuals who participated in the meetings
6 and asked them what had happened?

7 A On what?

8 Q Relating to contacts between the White House and
9 Treasury.

10 A I don't think I follow you. There would be --
11 you would go to the letter, just simply to make sure that
12 all of the administration was consistent. You wouldn't
13 give -- you would just say here is the letter. Here is a
14 fact. Here is a public document of the administration. If
15 you want to know about it, here, just take the letter.

16 Q You wouldn't go out and try to find the true
17 facts, you would just use the written document that
18 Mr. Altman had created to enlarge the record?

19 A I would assume that the letter, once it was
20 issued under his signature and forwarded to the
21 administration, was the true facts.

22 Q Do you recall having any discussions with White

1 House counsel Joel Klein about Mr. Stephens being released
2 or fired?

3 A Not that I can remember.

4 MR. BRAND: Fired from --

5 MR. CODINHA: His position as working for RTC and
6 Madison.

7 BY MR. CODINHA:

8 Q Do you recall having any discussions with
9 Mr. McLarty about the telephone calls that you had made to
10 Mr. Steiner and Mr. Altman?

11 A The only thing I can think is when it broke in
12 the newspapers, we would have had a discussion about it of
13 some sort, not necessarily detailed, but --

14 Q Have you had any further -- strike that.

15 Do you not recall any discussions that you had
16 with anyone regarding Mr. Stephens being fired or removed
17 from his position?

18 A No.

19 Q Are you aware -- strike that.

20 There have been press reports about a damage
21 control team that was at the White House to deal with
22 things like Whitewater. Are you aware of that damage

1 control team?

2 A Sure.

3 Q Who is on the damage control team?

4 A Now?

5 Q Well, when was the damage control team first put
6 in place?

7 A I don't know. The people I know that work on it
8 now are Lloyd, Joel --

9 Q Lloyd Cutler?

10 A Yes.

11 Q Klein?

12 A Klein, Podesta and Dryer.

13 Q Dreyer?

14 A Dreyer, David Dreyer.

15 Q Have there been any other members of the damage
16 control team?

17 A I suppose, but using that very kind of definite
18 article, "damage control team," that doesn't sound right.
19 I am sure other people have been consulted at various times
20 or may have been involved in parts of it.

21 Q Who put together the damage control team?

22 A Lloyd Cutler.

1 Q Was the damage control team in operation before
2 Mr. Cutler arrived?

3 A We were getting a lot of press and Congressional
4 inquiries about Whitewater starting in December and
5 January. Was there a team? I suppose you could say that,
6 but there were clearly people who were working on the
7 issue.

8 Q Was Mr. Nussbaum working on the issue?

9 A Sure.

10 Q Was Mr. Lindsey working on the issue?

11 A Sure.

12 Q Was Mr. Podesta working on the issue?

13 A I am not sure when he started, exactly.

14 Q Was Mr. Eggleston working on the issue?

15 A I assume so.

16 Q Was Mr. Kennedy working on the issue?

17 A Not that I know of.

18 Q Was Ms. Williams working on the issue?

19 A Not directly, not that I know of.

20 Q When you say "not directly," was she working on
21 it indirectly?

22 A As the first lady's chief of staff she was

1 probably aware of all manner of things going on. But kind
2 of a focused day-to-day work? She may have, I just don't
3 know.

4 Q We have developed evidence that at the February 2
5 meeting Ms. Williams -- the meeting where procedural
6 aspects of RTC and the Altman recusal issue were being
7 discussed, Ms. Williams was present. What would be the
8 reason she would be present at that kind of meeting?

9 A I don't know.

10 Q Is she an RTC expert?

11 A I don't know.

12 Q How is it determined who is going to attend a
13 meeting at the White House? Can anybody go to any
14 meeting?

15 A Depends on the meeting. No, no, anybody cannot
16 go to any meeting. How it is determined depends on the
17 meeting.

18 Q We are now aware there was a meeting involving
19 Roger Altman, deputy secretary of the Treasury, who was
20 coming over to the White House to -- if the reports are
21 correct, to brief the White House on RTC procedural matters
22 and also to deal with the recusal issue. How would it be

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1 determined who was appropriate to be at that meeting?

2 A I don't know.

3 Q Who would know?

4 A I suppose the people in the meeting.

5 Q Is there a posting or any way that people know
6 what meetings are going to be taking place at the White
7 House in advance of the meetings taking place? Is there a
8 schedule of meetings that's posted?

9 A No, not that I know of.

10 Q Have you ever had any discussions with
11 Ms. Williams about her reasons for attending the meeting?

12 A No.

13 Q Have you had any discussions with the first lady
14 about Ms. Williams's reasons for attending the meeting?

15 A No.

16 Q Have you had any other discussions than you have
17 told us today which related to Treasury contacts with the
18 White House relating to Whitewater or Madison?

19 A No specific ones that I can remember.

20 Q Have you had any other conversations than what
21 you have related today about RTC contacts between the White
22 House and the RTC?

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1 A Again, no specific ones that I can remember.

2 MR. CODINHA: I have no further questions at this
3 time. You may inquire, Mr. Chertoff. Do you want to move
4 down here?

5 MR. CHERTOFF: I will try to talk loudly. Is
6 that all right?

7 THE WITNESS: May we take a short break?

8 (Recess.)

9 EXAMINATION

10 BY MR. CHERTOFF:

11 Q When is the first time you have given testimony
12 under oath on the issue of your conversation with
13 Mr. Steiner?

14 A I suppose the grand jury.

15 Q Was that in March?

16 A I think so.

17 Q The first time you had ever testified before a
18 grand jury?

19 A Yes.

20 Q First time you have testified under oath?

21 A Yes.

22 Q Did you prepare for that grand jury testimony?

1 A I consulted with my attorney.
 2 Q Did you review documents?
 3 A I didn't really have any documents to review. I
 4 mean --
 5 Q Did you know in advance the subject matters about
 6 which you would be questioned?
 7 A Sure.
 8 Q Did you get subpoenaed on March 4?
 9 A Yes.
 10 Q So from March 4, you understood you would be
 11 asked questions, concerning, among other things, your
 12 conversations with Mr. Steiner?
 13 A Uh-huh.
 14 Q And with Mr. Altman?
 15 A Yes.
 16 Q Yes to both questions?
 17 A Yes.
 18 Q Did you begin at that point to start to collect
 19 your memory about those conversations?
 20 MR. BRAND: "Correct" or did you say "collect"?
 21 BY MR. CHERTOFF:
 22 Q Collect. Collect your memory.

1 A I suppose, yes.
 2 Q When did the press accounts concerning your
 3 conversation with Mr. Steiner first appear?
 4 A After the grand jury testimony.
 5 Q Were you asked to make any kind of statement to
 6 the press regarding those press reports?
 7 A Yes.
 8 Q Did you make such a statement?
 9 A Yes.
 10 MR. CHERTOFF: Do you have it?
 11 MR. BRAND: Not with us.
 12 THE WITNESS: Not with me.
 13 MR. CHERTOFF: Can you supply it?
 14 MR. BRAND: To the extend we have it.
 15 THE WITNESS: It's a transcript. I mean, you can
 16 get a transcript from CNN, I suppose, or whatever.
 17 BY MR. CHERTOFF:
 18 Q Was it a prepared statement?
 19 A I was interviewed and I answered the questions.
 20 Q Was this an interview scheduled specifically to
 21 respond to questions about this conversation?
 22 A Yes.

1 Q Did you prepare in advance for that interview?
2 A Sure.
3 Q How did you prepare?
4 A I thought about the conversations.
5 Q Did you write something out?
6 A I may have.
7 Q Did you write notes?
8 A I may have.
9 Q Did you -- what did you do with the notes?
10 A I threw them out.
11 Q Did you prepare, after March 4 -- was this
12 preparation process for the interview on the conversation
13 after March 4?
14 A No. This was the -- for the press interview?
15 Q Right. Your preparation for the press interview
16 took place after March 4; correct?
17 A Yes, I don't know what day it was, but I am
18 certain it was after March 4.
19 Q Was it after you had testified before the grand
20 jury?
21 A Yes. I believe so.
22 MR. BRAND: I am not sure it was.

1 BY MR. CHERTOFF:
2 Q Were you under subpoena at the time you prepared
3 the notes?
4 MR. BRAND: I don't recall.
5 MR. CHERTOFF: I am asking the witness, not
6 asking the lawyer.
7 MR. BRAND: Well, I don't want the witness to
8 answer mistakenly when it was a matter of record when he
9 was subpoenaed. I can supply it to you if you need it.
10 THE WITNESS: I just have a problem with the
11 dates.
12 BY MR. CHERTOFF:
13 Q When you received the grand jury subpoena, did it
14 ask you for documents?
15 A Yes.
16 Q Were you aware you had an obligation to preserve
17 documents under that subpoena?
18 A Preserve anything I had from before?
19 Q Did you understand that under the document, if
20 you created a document that fell under the document after
21 the subpoena was issued, but before you appeared, were you
22 aware you had to turn that over --

1 A To the grand jury?

2 Q Yes.

3 A I suppose I was.

4 Q Did you think about it?

5 A I don't think I prepared anything.

6 Q The notes that you prepared in anticipation of
7 your press interview?

8 A The press was after the grand jury appearance.

9 Q The notes that you prepared in anticipation of
10 the press interview, were those prepared before or after
11 your grand jury appearance?

12 A After.

13 Q You are now sure of that?

14 A I thought that's what I said at the beginning.

15 Q We will check the record on that. Did you make a
16 decision to discard or destroy those notes, a conscious
17 decision?

18 A I had no reason to keep them. I had a transcript
19 of the interview.

20 Q Did you make a conscious decision to destroy
21 them, is the question?

22 A I made the notes, I did the interview, I threw

1 them out.

2 Q What did you say in the interview about this
3 February 25 conversation with Mr. Steiner?

4 A I don't have the transcript in front of me.

5 Q Can you recall?

6 A I suppose I said essentially what I said to the
7 lawyer, I mean the interviewer, or something close to that.

8 Q I'm sorry, when you say -- you said you believe
9 you said essentially what you said to the interviewer a
10 while back, do you mean you think you said to the press
11 what you said in response here to Mr. Codinha's questions?

12 A I said what my recollection of the phone
13 conversations was, which is what I said.

14 Q Is the statement in your interview the same as
15 your statement to Mr. Codinha?

16 A Similar. I don't know if the words are exactly
17 the same.

18 Q At the time of this interview, was the subject of
19 your conversation with Mr. Steiner a matter of discussion
20 with others in the White House?

21 A At the time of the interview?

22 Q Before the interview, preceding the interview,

1 after the press story had appeared.

2 A It was a matter of great press interest at the
3 White House.

4 Q I am not talking about the White House press. In
5 the circle of people who work at the White House, after
6 that article appeared, was there discussion with you about
7 your conversation with Mr. Steiner on the 25th?

8 A Nothing beyond what I said in the interview.

9 Q Well, we don't have the benefit of the interview
10 here, so we are going to have to get into it. The
11 article -- who wrote the article?

12 A There were more than one.

13 Q Who wrote the article in The Washington Post?

14 A Ruth Marcus.

15 Q How did you first learn about the article?

16 A She called me.

17 Q What did you do after she called you about the
18 article?

19 A I told her what happened.

20 Q After you hung up on the phone with her, did you
21 talk to anybody else?

22 A I told Mark Gearan -- or I suppose I don't even

1 know who it was. I told the press office, there's a story.

2 Q What did you tell them the story was going to be
3 from your understanding in that telephone call?

4 A Something about a phone call I had with Josh
5 Steiner.

6 Q Did you understand from what the reporter asked
7 you that the story was going to be that you had suggested
8 to Mr. Steiner that Jay Stephens be fired?

9 A It wasn't that clear.

10 Q Did it occur to you that that might be the story?

11 A It occurred to me that it was a story about the
12 conversation, about what happened in that conversation. I
13 don't remember her exact questions.

14 Q Without telling us the exact questions, what was
15 the substance of what she was asking you?

16 A What happened in this conversation.

17 Q Was she directing your attention to the issue of
18 Mr. Stephens?

19 A Sure.

20 Q Did she ask you in substance whether you
21 suggested that Mr. Stephens be fired?

22 A I don't remember exactly. I suppose so. I don't

1 remember.

2 Q Did you recognize that this story, if it
3 appeared, could be embarrassing to the president?

4 A I didn't think it would be a good story.

5 Q Did you think that if a story appeared that the
6 senior policy advisor to the president had been making
7 efforts to get Mr. Stephens fired, did you think that would
8 be embarrassing to the president?

9 A I think it would have been wrong.

10 Q Did you think if a story like that appeared, it
11 would be embarrassing to the president?

12 A Again, I don't think it would be a helpful story
13 to the president.

14 Q You told Mr. Gearan about it?

15 A I assume so. I don't, you know --

16 Q Did you tell the president about it?

17 A Sure.

18 Q What did you tell the president about it?

19 A I said there's going to be a story.

20 Q Well, did you walk in and say there's going to be
21 a story or did you explain what you thought the story would
22 be?

1 A I said there's going to be a story about my phone
2 conversation with Josh Steiner.

3 Q What did the president say?

4 A He was traveling. He just said just tell them
5 what happened.

6 Q Were you on the plane with him?

7 A No.

8 Q It was a telephone call?

9 A Uh-huh.

10 Q How did the telephone call begin as it relates to
11 this particular issue?

12 A Mr. President, here is -- there is going to be a
13 story, here is what they are asking about. It was a very
14 brief conversation.

15 Q Did you tell the president, they are asking you
16 about whether I told Josh Steiner to fire or to get rid of
17 Mr. Stephens?

18 A I don't remember the words.

19 Q In substance?

20 A It was about the story about my conversation.

21 Q Did you convey to the president in some way that
22 you anticipated that the story would involve a suggestion

1 that you tried to get Jay Stephens fired?

2 A I just don't remember the words I used.

3 Q I am not asking you the exact words. I am asking
4 you whether you intended to convey the substance that the
5 story you anticipated would involve an indication that you
6 tried to get Jay Stephens fired?

7 A Again, I don't remember exactly what the words
8 were. It would be about the conversation.

9 Q I am going to ask that the question be read
10 back. It calls for a yes or no.

11 (The reporter read the record as requested.)

12 THE WITNESS: It could have, I just don't
13 remember.

14 BY MR. CHERTOFF:

15 Q Did the president ask you whether you had told
16 Mr. Steiner to have Jay Stephens fired?

17 A No.

18 Q He didn't express any curiosity about whether the
19 conversation occurred?

20 A Well, I said the conversation occurred.

21 Q Well, what did you tell the president was the
22 conversation?

1 A I told the president -- again, I really don't
2 remember. It wasn't that long or detailed a conversation.
3 I said I had spoken to Steiner about Jay Stephens, wanted
4 to know how he came to be hired, and, you know,
5 essentially -- that's essentially all I think I could have
6 conveyed.

7 Q Did you indicate or suggest to the president that
8 you were concerned that Ms. Marcus might write a story that
9 would overstate or inaccurately state what you had told
10 Mr. Steiner?

11 A It's what I thought. I don't know that I talked
12 to him about it.

13 Q Wasn't that something that you were concerned
14 about?

15 A Sure.

16 Q Did the president ask you what, in fact --
17 whether, in fact, you had tried to get Mr. Stephens fired?

18 A No.

19 Q Did the president ask you who Mr. Stephens was?

20 A No.

21 Q Was it your understanding that the president knew
22 who Mr. Stephens was?

- 1 A Sure.
- 2 Q What is the basis of your understanding?
- 3 A I just know he knows who Mr. Stephens was.
- 4 Q Was that based on a prior conversation you had
- 5 with him?
- 6 A Well, as I said, on the day of the phone
- 7 conversation, at the end of the day, I reported to him a
- 8 summation of the day.
- 9 Q Did you talk to Mr. McLarty about the
- 10 conversation with Ms. Marcus?
- 11 A Not in any substance. I am sure I wouldn't doubt
- 12 that I did, though.
- 13 Q Did the story appear?
- 14 A The story?
- 15 Q Yes.
- 16 A Oh, yes.
- 17 Q Do you remember what the gist of the story was?
- 18 A That I was angry.
- 19 Q What did the story say concerning what you were
- 20 supposed to have told Mr. Steiner about firing
- 21 Mr. Stephens?
- 22 A I don't remember.

- 1 Q Did you read the story?
- 2 A Yes.
- 3 Q Were you concerned about whether the story was
- 4 accurate?
- 5 A Sure.
- 6 Q Did you -- were you satisfied that the story was
- 7 accurate?
- 8 A No.
- 9 Q Did you try to correct it?
- 10 A I spoke to Ruth Marcus.
- 11 Q What was inaccurate about the story?
- 12 A I don't remember the exact story. I don't
- 13 remember talking about getting Jay Stephens fired. I don't
- 14 remember -- I really don't remember if it was in that
- 15 story.
- 16 Q What did you tell Ms. Marcus after you read the
- 17 story?
- 18 A I don't know.
- 19 Q You don't know what you told her?
- 20 A I don't know the conversation I had with her
- 21 after that.
- 22 Q Let me ask you this, do you -- your testimony

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1 earlier was that you didn't remember certain things. I am
2 going to ask you straight out.

3 A Uh-huh.

4 Q Do you deny telling Mr. Steiner in this
5 conversation on February 25 that it was outrageous that --
6 or, in actual words and in substance that Mr. Stephens had
7 been hired?

8 A Well, I mean, I would make a distinction between
9 actual words and substance. I believe, as I said in my
10 testimony earlier today, that I thought it was -- I was
11 very puzzled by the fact that Stephens was hired and I did
12 think it was a conflict of interest and it's an outrageous
13 decision.

14 Q Did you tell Mr. Steiner that it was a terrible
15 conflict of interest for Mr. Stephens to be working on the
16 case?

17 A I don't remember the exact words of the
18 conversation again.

19 Q Do you deny that you said that or you simply
20 don't remember?

21 A I wouldn't deny that.

22 Q Would you deny that you told Mr. Steiner that

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1 given that the source of the conflict was that Mr. Stephens
2 had been such a vocal critic of the administration? Do you
3 deny saying that?

4 A No. Again, I don't know that I said it, I don't
5 deny it.

6 Q Do you deny suggesting to Mr. Steiner that the
7 conflicts of interest should disqualify Mr. Stephens from
8 working on the case?

9 A I know that I thought it was a conflict of
10 interest.

11 Q Do you deny telling Mr. Steiner that the conflict
12 of interest should disqualify Mr. Stephens from working on
13 the case?

14 A Again, I don't remember saying that, but I don't
15 deny it.

16 Q Do you deny telling Mr. Stephens -- sorry,
17 Mr. Steiner, or asking Mr. Steiner whether there was some
18 way to get rid of Mr. Stephens?

19 A I just don't remember saying that.

20 Q So you don't deny it or you do deny it?

21 A I just don't remember saying it.

22 Q When you say you don't remember, it's possible

1 you don't remember, or you don't remember what you were
2 saying?

3 A I know in that conversation I was angry. I know
4 I wanted to find out how he was hired. I know I wanted the
5 facts. I know when I got the facts, that was the end of
6 the conversation.

7 Q Do you deny that Mr. Steiner explained to you
8 that there was nothing you could do about Mr. Stephens
9 being hired because it would be impolitic to interfere with
10 how the case was being carried out?

11 A I don't remember saying that. I remember him
12 saying that Stephens had been picked by some sort of an
13 independent board.

14 Q Do you deny that he said to you that there was no
15 way to remove Mr. Stephens because it would be impolitic to
16 interfere in how the case was being carried out?

17 A I just don't remember him saying that.

18 Q You don't admit it or deny it?

19 A I just don't remember, yes.

20 Q In the conversation you had with Mr. Altman, do
21 you deny telling Mr. Altman that the president was angry or
22 furious about his -- the way in which he decided to recuse

1 himself?

2 A Again, I just don't remember saying that.

3 Q I understand.

4 A I know.

5 Q I am asking you whether you deny it or not.

6 A I just don't remember saying it.

7 Q You neither admit it or deny it?

8 A I just don't remember.

9 Q You neither admit it or deny it; is that correct?

10 A Yes.

11 Q Let me ask you, do you keep a diary yourself?

12 A No.

13 Q When you have meetings with people in the White
14 House, other than taking notes, are they recorded in any
15 other way?

16 A I hope not.

17 Q Well, to your knowledge?

18 A Not to my knowledge, no.

19 Q Do you have any responsibilities for presidential
20 appointments, I don't mean daily appointments, I mean
21 appointments of people to official positions?

22 A Not really. Sometimes people might ask me my

1 opinion about something, but not really, no.

2 Q Where is that function centered in the White
3 House, appointments?

4 A Personnel.

5 Q Who's in charge of that?

6 A Veronica Biggins, B-i-g-g-i-n-, I don't know if
7 it's Z or S.

8 Q Before that Mr. Lindsey was in charge of it?

9 A Yes.

10 Q When did Mr. Lindsey relinquish his
11 responsibilities for appointments?

12 A I don't remember. It was sometime this year.

13 Q Now, is there a time issue?

14 A How close are we? I mean, I don't mean to -- I
15 am not trying to suggest --

16 MR. CHERTOFF: We should go off the record.
17 (Discussion off the record.)

18 BY MR. CHERTOFF:

19 Q Did you maintain a file in your office on the
20 Whitewater or Madison issue?

21 A Not any kind of a comprehensive file. I might
22 have thrown a couple of things in there, but nothing.

1 Q How was it labeled?

2 A Probably Whitewater.

3 Q What kinds of things did you throw in there?

4 A I guess I threw that letter in. I don't even
5 know. I mean, anything that would help me respond to
6 something.

7 Q When you received a grand jury subpoena, did
8 you -- how did you handle replying to that subpoena in
9 terms of that particular file?

10 A Gave whatever was there to the counsel who was
11 collecting all the stuff.

12 Q Who collected the stuff?

13 A I believe it was Joel Klein.

14 Q Did you give Mr. Klein your file marked
15 Whitewater?

16 A I think so, or the contents, whatever paper I
17 had.

18 Q In that file?

19 A Yes.

20 Q Do you know whether anybody else in the White
21 House had files dealing with Whitewater/Madison in their
22 offices?

- 1 A I assume people did, but I have no idea. I just
2 didn't ask.
- 3 Q Have you ever seen such a file?
- 4 A No.
- 5 Q Did you ever see such a file in Mr. Nussbaum's
6 office regarding RTC matters, Whitewater or Madison
7 Guaranty?
- 8 A No.
- 9 Q How did you get to know Roger Altman in 1991?
- 10 A He was an old friend of the president and
11 economic advisor to the campaign.
- 12 Q Would you consider him as a good friend of the
13 president?
- 14 A Sure, the president has a lot of friends.
- 15 Q Did he socialize with the president after the
16 president took office in January, 1993?
- 17 A I would guess that they might have been at dinner
18 parties together at some point, but I don't know.
- 19 Q Are you -- do you, yourself, socialize with the
20 president?
- 21 A With the president?
- 22 Q Yes.

- 1 A Not really. It's the same thing. I would be at
2 dinners with him, things like that.
- 3 Q Are you --
- 4 A He doesn't have a lot of private time, and I
5 think we try to leave him alone.
- 6 Q You got to know him in 1991 in what capacity?
- 7 A Roger?
- 8 Q Yes.
- 9 A He was advising the campaign on economic issues.
- 10 Q Did you have any contact with Roger Altman about
11 Whitewater or Madison Guaranty from January 20, 1993, up
12 until March 4, 1994?
- 13 A Not that I can remember.
- 14 Q No contact whatsoever?
- 15 A Again, no, nothing specific comes to mind.
- 16 Q Did he ever talk to you -- other than the
17 conversation you have testified about, on February 25, did
18 he ever have a conversation with you about his recusal?
- 19 A I don't think so, no.
- 20 Q Are you certain about that or you just don't
21 remember?
- 22 A I really don't remember. I don't think so. You

1 know. I just don't think so.

2 Q In October of 1993, you had moved over to become
3 senior policy advisor; correct?

4 A No. January to June.

5 Q So by October of 1993 you had moved over to
6 senior policy advisor; is that right?

7 A Oh, yes.

8 Q Did you have press on that decision?

9 A In anticipation of the press, sure.

10 Q What did that involve?

11 A I talked to reporters.

12 Q And what did that involve?

13 A It would just involve generally knowing the press
14 environment, what kinds of questions were going to be
15 asked, how we might respond to them.

16 Q What would you do with that information. Who
17 would you furnish it to?

18 A The press, sometimes Dee Dee, sometimes Mark.

19 Q Did you have a lot of contact with Mr. Nussbaum?

20 A A lot?

21 Q Yes.

22 A Depends on the day.

1 Q I would like to direct your attention to October
2 of 1993. Did you have a two-hour meeting with Mr. Nussbaum
3 and others on that day relating to Madison or Whitewater?

4 A Not that I can think of.

5 Q Did you have a meeting with him on that day in
6 which there was a discussion --

7 A What's the date?

8 Q October 15, 1993.

9 A I don't remember that.

10 Q Did you have a meeting with him in which others
11 may or may not have been present in which there was
12 discussion about anticipated press stories regarding
13 criminal referrals on the Madison Guaranty matter to the
14 Department of Justice?

15 A I don't think so.

16 Q Do you remember ever having a meeting with
17 somebody concerning criminal referrals being transmitted
18 from the RTC to the Department of Justice relating to
19 Madison Guaranty or Whitewater?

20 A No. I am sure it was discussed after the
21 newspaper articles in staff meetings or whatever, but, no.

22 Q Before the newspaper articles?

1 A I don't think so.
2 Q Were you ever aware that there had been notice
3 given of any kind concerning the possibilities of those
4 kinds of stories --
5 A No.
6 Q -- to Mr. Nussbaum? No?
7 A No.
8 Q In October of 1993, one of your duties would have
9 been to anticipate press stories; correct?
10 A Uh-huh.
11 Q Yes?
12 A Sure.
13 Q So would it have been understood in the White
14 House that you were a person who should be notified on a
15 story that might appear in the near future?
16 A Not necessarily. Not if somebody else like Mark
17 Gearan or somebody was doing it.
18 Q Did you divide up your responsibilities or duties
19 with Mr. Gearan as to the type of press stories you would
20 handle?
21 A I had handled some of it but he was directly
22 handling communications.

1 Q If it was communications, you would have been
2 involved in it?
3 A Not necessarily. If there was something, I would
4 tell him.
5 Q You were asked some questions about a damage
6 control team.
7 A Yes.
8 Q Was that team set up in January to include
9 Mr. Ickes?
10 A In the beginning of January we had a lot of
11 attention while the president was away in Russia, so we
12 were working on it, absolutely.
13 Q Who was involved in that effort?
14 A I don't know everybody involved. I know I worked
15 with Harold on it.
16 Q Was Maggie Williams involved?
17 A Again, she might have been informed. She might
18 have given her advice at some time, but it wasn't a direct
19 kind of day to day.
20 Q Who were the people involved day to day?
21 A Harold, Bernie, me, Podesta. I think David
22 Dreyer. I don't really remember. There might have been

1 others.

2 Q And the purpose of this group was to do what?

3 A We were getting lots of press and Congressional
4 inquiries, to try to answer them.

5 Q Why would you have been dealing with Margaret
6 Williams on this, or Maggie Williams on it?

7 A Again, she is the chief of staff of the first
8 lady. She gets involved in a broad range of issues. She
9 gives good advice.

10 Q Did she ever relay information to you concerning
11 the way either the president or the first lady wanted to
12 have the damage control handled in January of 1994?

13 A She may have. I don't remember any specific
14 instance.

15 Q In the first two weeks of January of 1994, were
16 you in Washington?

17 A Yes.

18 Q Were you in Washington when the president was
19 down at the Renaissance Weekend?

20 A No, I was in Mexico.

21 Q When did you get back to Washington?

22 A Whatever the -- Saturday night.

1 Q Was that --

2 A I had to do the David Brinkley show on the first
3 Sunday in January, so I got back Saturday night.

4 Q Do you know if at the time you got back to
5 Washington the president was still in Renaissance?

6 A He may have been in Renaissance. I don't
7 remember.

8 Q Was he down in South Carolina?

9 A If you tell me he was, he was. I don't remember.

10 Q Did you have a discussion with anybody at
11 Renaissance during the early part of January concerning
12 Whitewater?

13 A No.

14 Q Is it your knowledge that there was discussion
15 during Renaissance about it?

16 A No, I have no knowledge.

17 Q Did you see Lloyd Bentsen during the first two
18 weeks of January, 1994, about Whitewater?

19 A Not that I can remember.

20 Q Was it common for you to see Lloyd Bentsen?

21 A Sure, hallways, meetings, weekly meetings
22 together.

1 Q Would these be meetings where others were
2 present?

3 A Sure.

4 Q How often did you have a one-on-one conversation
5 with Mr. Bentsen?

6 A Oh, before meetings, after meetings, fairly
7 often.

8 Q How often did you have a meeting with Mr. Bentsen
9 where either you went over specifically to see him alone or
10 he went over to see you specifically?

11 A A few times, handful of times.

12 Q Ever about Whitewater?

13 A Not that I can remember.

14 Q In January 1994, first two weeks, did you have a
15 conversation with Mr. Bentsen about Whitewater?

16 A Again, I don't remember.

17 Q Did he suggest to you, in your capacity as
18 participating in this damage control effort, that the boil
19 be lanced?

20 A I don't remember those -- him using those words
21 at any time.

22 Q In that first couple weeks of January 1994 was

1 dealing with this Whitewater damage control issue a
2 significant part of your daily effort?

3 A Yes.

4 Q That was pretty much what you were focused on in
5 that period; right?

6 A That and health care. That's what -- I mean --
7 let me make this a little bit easier. Well, go ahead.

8 Q No, you were about to say something.

9 A It's not inconceivable to me that I could have
10 had a brief conversation with him, whether he gave his
11 opinion on what to do with the special counsel is a matter
12 of great debate. All the Senators had written the
13 president, all the Senators were on the floor. I was in
14 the press every day. I was talking to a lot of people,
15 dozens and dozens and dozens. It's not inconceivable to me
16 there would have been such a conversation. I just don't
17 remember.

18 Q Were you involved at that period of time in
19 dealing with the appointment of the special counsel?

20 A Sure.

21 Q And the scope of the special counsel's charter?

22 A Not the scope, no. I don't really deal with

1 legal matters that much. I was dealing with legislative,
2 political, press matters. This was a matter of great
3 interest. It was overwhelming.

4 Q When I say "the charter," I don't mean the
5 wording. Were you discussing with the group that was
6 participating in damage control the question of what areas
7 the special counsel should be appointed to investigate and
8 what areas the special counsel should not be appointed to
9 investigate?

10 A Again, I don't remember any specific
11 conversation. I would know that my state of mind would
12 have been simply, is the only real way to control the
13 political damage by appointing special counsel, and should
14 we get ahead of that and ask for it.

15 Q In making that -- having that discussion or
16 making that decision, did you have to consider what you
17 wanted the special counsel to be appointed to look at?

18 A I don't know. Again, I am not a lawyer, but I
19 would think that once you appoint the special counsel you
20 cede the control over that. That's part of what helps put
21 the issue to the side.

22 Q Was there consideration about having the special

1 counsel look at the matter of the -- or take over the
2 matter that the RTC was handling with regard to Madison
3 Guaranty?

4 A I wouldn't focus on that. That's just not the
5 way I would think about it. Either you appoint a special
6 counsel or you don't.

7 Q You don't remember having any conversations about
8 that?

9 A No.

10 Q Do you remember having any information about the
11 wishes of the president or the first lady concerning the
12 scope of what the special counsel ought to be doing?

13 A No.

14 Q Is it fair to say that when you either directly
15 or indirectly get information about the wishes of the
16 president or the first lady you take that very seriously?

17 A Sure.

18 Q And that you will pay attention if you hear that
19 the president or the first lady wants something could be
20 carried out in a particular way?

21 A Pay attention?

22 Q Yes.

1 A Yes.

2 Q That is not something you will simply treat as a
3 routine matter; correct?

4 A It would be something that I would pay attention
5 to, take seriously.

6 Q Focus on?

7 A Sure, as a factor in the decision.

8 Q The wishes of the president, or the wishes of the
9 first lady are merely a factor in the decision?

10 A The serious factor. You say "wishes." There are
11 discussions where you have discussions, a lot of different
12 opinions are solicited. Sometimes you might try to have a
13 discussion about those wishes. I mean --

14 Q Were you aware of any concern that was related to
15 you directly or indirectly in January of 1994 about -- let
16 me withdraw the question.

17 In January of 1994, were you aware of any concern
18 on the part of the president or the first lady regarding
19 what matters the independent counsel should be tasked to
20 look into if that independent counsel were appointed?

21 A It just would not be something that I would focus
22 on. I didn't think it would be something that we could

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1 have any control over. You worry about a lot of different
2 things. That's just not something -- that would just wash
3 over me.

4 Q So the concerns of the president or the first
5 lady as to the scope of what the special counsel's
6 investigation might be -- would be something that would
7 wash over you?

8 A I am not aware of any specific concerns that they
9 would have had.

10 Q So, in other words, you were not made aware of
11 any concerns like that?

12 A I am not specifically aware. I am not aware of
13 any specific concerns that they had.

14 Q Is it something you would be likely to have
15 forgotten?

16 A The specifics of, sure.

17 Q Not the specifics of. That type of concern on
18 the part of either the president or the first lady
19 regarding the scope of the special counsel's investigation,
20 is that something that you would be likely to forget, if
21 you had been told of it?

22 A It depends on what it was. I could.

1 Q In early January 1994 there was a meeting in
2 which a number of cabinet officials were asked to consider
3 what might be done to deal with the Madison
4 Guaranty/Whitewater situation?

5 A A meeting?

6 Q Yes.

7 A Not that I remember.

8 Q Well, whether it would be a meeting, a
9 discussion?

10 A This is the same thing I tried to refer to
11 earlier. It's possible that, you know, in the course of
12 other meetings or in the course of phone calls --
13 obviously, this subject was at the top of the news every
14 day.

15 Q Let me put it to you this way. Was there a
16 specific meeting that was set up, to your knowledge, in
17 January 1994, in which cabinet secretaries such as
18 Mr. Babbitt, Mr. Riley, Mr. Bentsen were asked to come over
19 to talk about what might be done to deal with the Madison
20 Guaranty/Whitewater situation that was developing in the
21 press?

22 A Not that I know of.

1 Q Is it likely such a meeting would have occurred
2 without your knowledge, given your participation in this
3 damage control effort?

4 A It's conceivable.

5 Q Is it likely?

6 A It's definitely conceivable. I just don't
7 remember.

8 Q When you say you don't remember, you mean it
9 didn't happen or it may have happened but you have
10 forgotten?

11 A It doesn't sound like it may have happened.

12 Q Was the recusal issue a damage control issue that
13 you focused on?

14 A In early January?

15 Q In late January or early February.

16 A I stopped working on it after the special
17 counsel's appointment, for the most part.

18 Q Early January?

19 A Whenever we were asked, that's when we started
20 get moving. I had to do other things.

21 Q What other things?

22 A Health care, crime bill, campaign reform. A lot

1 of other issues.

2 Q After the special counsel was appointed, you then
3 phased out of this damage control group?

4 A Yes.

5 Q Did the group continue to operate?

6 A I assume at some level, it probably went up and
7 down depending on the news stories.

8 Q I would like to show you an exhibit, X-4, and ask
9 you if you can recognize the handwriting.

10 A No.

11 Q Now, let me direct your attention to February
12 25.

13 A Uh-huh. Can I look at that again?

14 Q Sure.

15 A No.

16 Q Let me direct your attention to January 25. Were
17 you involved early --

18 A January 25 or February 25?

19 Q I'm sorry. February 25. Were you involved early
20 in the day in the effort to develop a response to the press
21 on the issue of recusal?

22 A Peripherally. It came up at the staff meeting.

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1 I had a gazillion other things to do that day. We had a
2 lot of members of Congress in on the Ames testimony. There
3 had been a huge bombing in Israel that morning. I had to
4 go up to Congressman Stark's house for a health care
5 meeting at 10:00 and leave the other two meetings. I
6 recall doing other things.

7 Q What do you recall being said about the issue of
8 the recusal at the senior staff meeting?

9 A Just that it's in the news.

10 Q Who attends the meetings regularly?

11 A 30 people.

12 Q Does Mr. Ickes attend?

13 A Usually.

14 Q Does Ms. Williams?

15 A Usually.

16 Q At that time, would Mr. Nussbaum have attended?

17 A Sure.

18 Q And Mr. McLarty?

19 A Probably.

20 Q And do you have any -- well, let me ask you, do
21 you know or do you recall if Mr. Ickes was there on
22 February 25?

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1 A I don't remember. I assume he was, but I don't
2 remember.

3 Q How is it that you came to be -- let me withdraw
4 the question and ask you this: Before February 25, what
5 understanding did you have, if any, concerning whether
6 Mr. Altman was going to recuse himself.

7 A I just knew it was an issue precipitated by the
8 questioning of the Senate, the Senate letters, and that's
9 about it.

10 Q Had you participated in discussion with anybody
11 else in the White House concerning whether it would be
12 advisable politically for Mr. Altman to stay in or to stay
13 out?

14 A I don't remember any specific discussion. I know
15 my state of mind would have just been, whatever he is going
16 to do, do.

17 Q In other words, your advice would simply have
18 been to make a decision one way or another?

19 A Make a decision and go on.

20 Q Was it your impression before February 25 that
21 Mr. Altman was still up in the air?

22 A I guess I didn't have the real detail. I knew

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1 the letter had been written. That was essentially -- I
2 just didn't know a lot about it.

3 Q You have testified that you do not recall a
4 conversation with Mr. Steiner in mid-February in which he
5 raised the issue of the Altman recusal; correct?

6 A I don't remember it.

7 Q Do you remember him asking you to ask others in
8 the White House whether they could encourage Mr. Altman to
9 recuse himself?

10 A No.

11 Q Do you remember him asking you to find out
12 whether the White House was opposed to having Mr. Altman
13 recuse himself?

14 A I don't remember.

15 Q Do you remember him discussing with you the
16 factors, pro and con, on the Altman recusal?

17 A I don't remember it, no.

18 Q Do you have any recollection of telling him you
19 should take some action or try to find out some information
20 about the Altman issue at his request?

21 A No.

22 Q Do you remember doing anything at all?

1 A I just don't remember. No.

2 Q Do you --

3 A Again, I will just say, if anybody asked me about
4 that issue at that time, I am sure I would have just said
5 do what you have to do, whatever he is going to do. I
6 didn't think it was an issue worth getting -- discussing,
7 getting involved in.

8 Q Did you have a social relationship with
9 Mr. Steiner at this time?

10 MR. BRAND: Being February?

11 BY MR. CHERTOFF:

12 Q As of mid-February.

13 A I don't, but I haven't seen him socially as far
14 as I know.

15 Q Did your relationship with him change after the
16 revelation of his diary comments relating to February 25?

17 A We didn't talk about this.

18 Q How did you come to be speaking to him on
19 February 25 in the conversation in which you have indicated
20 was the subject of Mr. Stephens and the recusal came up?

21 A I was on the phone. I assume, again, I don't
22 remember who called too, but I remember the course of the

1 conversation was mostly about this Roger talking to Howell
2 Rains first was what I remember.

3 Q Was that the purpose of the call?

4 A I assume so.

5 Q Before you had that conversation with Mr. Steiner
6 was there any discussion in the White House concerning
7 Mr. Altman's reversal of position?

8 A I don't think anybody knew.

9 Q Was there anything over the wires or any calls
10 from reporters?

11 A No, because he had talked to Howell Rains who's
12 an editorial page writer so it hadn't been written yet.

13 Q Let me make sure from your understanding of the
14 way it works, in communicating with Mr. Rains, was it your
15 understanding that Mr. Altman's statement would not be
16 released that day to the general press?

17 A I didn't know.

18 Q Was it your understanding -- or let me ask you
19 this: In terms of the general practice, is it your
20 understanding that in terms of talking to an editor or a
21 person writing editorials at a newspaper, when you give
22 them information, it is not being given to them for general

1 distribution that day?

2 A Usually, it's not, no. There's supposed to be,
3 in theory, a wall between the editorial pages and the news
4 pages.

5 Q It's given to them for the purpose of writing an
6 editorial?

7 A Yes.

8 Q So the statement made to Mr. Rains was not in
9 your mind the equivalent of a general release to the public
10 of Mr. Altman's decision; correct?

11 A You have to read The New York Times. I don't
12 know.

13 Q At least as of that day?

14 A Let me answer it a different way. My
15 recommendation and advice would be that if you have given
16 it to Howell Rains, if you want to avoid the whole world,
17 every other reporter in Washington being very mad at you,
18 you better do a general release.

19 Q That's a different issue. The question I am
20 raising with you is, is it your understanding that by
21 giving the information to Howell Rains --

22 A I was done.

1 Q -- it would be released generally that day?

2 A Well, it would go over The New York Times wire at
3 some point during the day, that would be it, not the news
4 wire but the editorials are on the wires as well.

5 Q You believe that that meant that on that Friday,
6 Friday, February 25, it would be released generally, be a
7 story by the end of that day?

8 A By the end of that day people would know
9 generally at least, certainly.

10 Q What was the press guidance that was being given
11 out of the White House earlier in the day in defending the
12 position that Mr. Altman had not recused himself?

13 A I don't remember exactly. I assume it would just
14 be a recounting of his testimony. You just take the same
15 words and repeat them.

16 Q Did you tell Mr. Steiner in your conversation
17 with him, did you actually use the word "inoperative" in
18 describing what would happen because of the Howell Rains
19 conversation?

20 A I don't know, I don't know.

21 Q Now, who did you -- after you hung up with
22 Mr. Steiner on this, who did you tell about it?

1 A I think I just went on and did other things.

2 Q You didn't tell anybody?

3 A Not right away. I probably at some point talked
4 to other people but I don't have any memory of it.

5 Q Well, this is the same conversation in which you
6 asked him about Mr. Stephens; correct?

7 A Yes.

8 Q And the question about Mr. Stephens you asked him
9 was because of press calls that were coming in?

10 A I was anticipating. I thought there would be.

11 Q So you wanted to get a heads-up, so to speak?

12 A I wanted to be ahead of the press inquiries,
13 sure.

14 Q Did you then communicate the information you had
15 gotten about Stephens's appointment to people in the
16 communications office?

17 A Immediately, no.

18 Q Well, if you wanted to get ahead of the press,
19 wouldn't it make sense to give the people who were in
20 face-to-face regular contact with the press an advisory
21 that they could expect something on this?

22 A Well, you wouldn't necessarily -- you wouldn't

1 necessarily do that, you know. Our offices are close. You
2 see people all day long. I wouldn't necessarily bring it
3 up until the question was asked, that would have the
4 information. I might get the question first. I often
5 would get the questions first and go to them.

6 Q Did you write the information down?

7 A No.

8 Q You must get a lot of information every day,
9 right?

10 A Sure.

11 Q And some of the information never turns out to
12 come up in a press call, right?

13 A Right.

14 Q Some of it does; right?

15 A Yes.

16 Q Do you have a way of storing the information so
17 that if you need to respond to something you can get at the
18 facts?

19 A There's no information to store here. He was
20 picked by an independent board. Go ask the RTC.

21 Q Was it your understanding that he had been picked
22 by an independent board that day or in the last couple of

1 days?

2 A I didn't know when. I didn't even know really
3 what had happened exactly. I had some vague information he
4 had been hired.

5 Q Where did you get that vague information from?

6 A I don't know.

7 Q Was it around the White House?

8 A Yes, people knew.

9 Q The people who knew about it in advance, did they
10 give you -- let me withdraw the question.

11 If it was known at the White House in advance, do
12 you know whether someone else had inquired about the manner
13 in which the appointment had been made?

14 A I didn't know about that, no.

15 Q Did you want to find out if anybody else had
16 information so that you could be sure that everybody in the
17 White House who would be asked would be on the same page?

18 A Once the question would have been asked -- this
19 was not something that I was really focused on that much
20 that day. I got a call on something else. It was
21 something I had heard. I got the information. I was doing
22 a lot of other things.

1 Q How did you wind up with Mr. Ickes in your office
2 later that day?

3 A I don't know, he came by.

4 Q Does he often stop by?

5 A All the time, 20 times a day.

6 Q Do you know what he came by about?

7 A I don't know why he would have come by. I know
8 that once he did come by we talked about The New York Times
9 thing.

10 Q What did he say and what did you say?

11 A I don't know.

12 Q Was he angry?

13 A He was probably the same as me, yes, he just
14 couldn't believe it.

15 Q Did he tell you he had had a conversation with
16 Mr. Altman a couple days before or with Mr. Steiner a
17 couple days before in which he had said, go ahead and
18 recuse yourself even if the hearing is on the 24th?

19 A Not that I remember.

20 Q Do you think you would remember that?

21 A Not necessarily.

22 Q Had he said that to you, would it have changed

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1 your opinion about the significance of Mr. Altman talking
2 to Howell Rains?

3 A No, they are separate issues.

4 Q Did you decide to call Mr. Altman while you two
5 were in his office, while Mr. Ickes was in your office?

6 A I don't know if he called him or he called us. I
7 know that we had the conversation.

8 Q Were you on a speakerphone?

9 A Uh-huh.

10 Q Tell us about that conversation as best you can.

11 A I just don't remember that much about it. I do
12 remember suggesting that he write the note to the
13 president.

14 Q Was Mr. Altman upset?

15 A I assume so. He had a tough couple of days.

16 Q Why did he have a tough couple of days?

17 A He had been through a long hearing with the
18 Senate Banking Committee and there had been a lot of phone
19 calls. I mean, he obviously had press inquiries the next
20 day.

21 Q Were you aware of any difficulty at the hearing
22 on February 24?

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1 A Well, I knew that it had become a matter of some
2 interest in the press.

3 Q Did that translate into the fact that it had been
4 a tough hearing?

5 A Sure.

6 Q Is your impression that he had a tough couple of
7 days drawn solely from the fact that there were a lot of
8 press stories about this?

9 A Well, he was getting a lot of inquiries.

10 Q About?

11 A About the issues.

12 Q You learned about Mr. Altman getting those
13 inquiries from whom?

14 A I don't know which ones he specifically got. I
15 knew that it was a matter of great press interest.

16 Q But you told us that your impression was he was
17 upset because he had a tough couple of days. My question
18 is, did you learn that in that conversation with him?

19 A It's not something to learn, whenever you are
20 talking to Howell Rains about an issue like that, that
21 translates for me into a tough couple of days, no matter
22 what happens, if you have to have that conversation.

1 Q Did you ask him whether he had told the president
2 yet about his decision?

3 A I don't remember saying that. I mean, again, the
4 course of the conversation was that he should -- I
5 suggested that he do, that he did write the president, so I
6 assume that -- I must have thought that the president
7 didn't know.

8 Q Why did you suggest it?

9 A I thought it was a courtesy to the president.

10 Q Well, is it -- as a courtesy, is it as opposed to
11 giving him a phone call?

12 A Well, the president is busy, he can't -- you just
13 don't pick up the phone and call him. It's much easier
14 just to give him a note.

15 Q Why did you think the president would be
16 concerned as to whether or not Mr. Altman would recuse
17 himself or not?

18 A Because it was a big issue. It had become a big
19 issue.

20 Q Didn't you testify before that you didn't
21 consider it a very big issue?

22 A Before I didn't. I said it had become a big

1 issue in the press.

2 Q On that day?

3 A Yes.

4 Q Was recusal a big issue on the 25th?

5 A Any time you have a decision and it's reversed,
6 it's a big issue, any time.

7 Q You felt the president personally would want to
8 have a note or be personally concerned about Mr. Altman's
9 reversal of decision?

10 A The president had been prepped to answer
11 questions. He may have had to answer a question that day,
12 which would then have been contradicted. I don't remember
13 exactly.

14 Q How had the president been prepped to answer
15 questions on this particular issue? What was the
16 preparation that was given?

17 A I don't remember. I don't even remember if he
18 had press availability that day. What would normally have
19 happened if there had been press availability, there would
20 have been five or six of us in there, here are the
21 questions and here is what the guidance is.

22 Q What was the guidance given the president that

1 day?

2 A I don't know if he was given any guidance. If
3 there were -- I don't remember if he saw the press that
4 day. If he were, it would have been the same that Dee Dee
5 had.

6 Q Had the president been following the issue of the
7 story before Mr. Altman's decision about whether -- pending
8 decision about whether he was going to recuse himself or
9 not?

10 A Prior to the hearing?

11 Q Yes.

12 A I don't know.

13 Q Did you ever talk to him about it?

14 A No.

15 Q And later that day, when you reported on the
16 events of February 25, what was your conversation
17 concerning the recusal issue with -- as it related to
18 Mr. Altman?

19 A I think I probably just said, Roger talked to
20 Howell Rains, he decided to recuse himself. He is going to
21 put out a statement. He did put out a statement. I don't
22 know.

1 Q What did the president say?

2 A Didn't say much. It was the end of the day.
3 Just shrugged, and that was it.

4 Q Did you ever see the letter that Mr. Altman wrote
5 to the president?

6 A I think I have seen it. I don't remember when.

7 Q You don't remember the context in which you saw
8 it?

9 A No.

10 Q Did the president show it to you?

11 A Not anything. He didn't make a point of showing
12 it to me. I sometimes get a lot of paper coming back
13 through my office, and so I may have seen it.

14 Q Was this a personal letter written by Mr. Altman
15 to the president?

16 A I think so.

17 Q Would it have been the kind of correspondence
18 that would come to your office in the normal, routine flow
19 of paper that you usually get from the president?

20 A It's possible.

21 Q It wouldn't have been treated differently than
22 the normal official correspondence?

1 A I don't get all the official correspondence
2 during the day.

3 Q What type of correspondence do you get,
4 generically?

5 A There's not really a rhyme or reason to it
6 necessarily.

7 Q Did you have a conversation with Mr. Altman about
8 his letter?

9 A I suggested that he write it.

10 Q After it was sent?

11 A I don't really remember.

12 Q Did you have a conversation with Mr. Ickes about
13 the letter?

14 A Not subsequent to it being sent.

15 Q Did you have a conversation with anybody else
16 about the letter?

17 A Not that I can remember.

18 Q Were you aware that in -- early in the first week
19 of March, 1994, the individual, John Podesta from the White
20 House called, the Treasury called Mr. Altman to communicate
21 a concern about the accuracy of his testimony on February
22 24?

1 A No.

2 Q No awareness of that at all?

3 A No. I know there was then a series of letters
4 and testimony. I didn't know anything about that.

5 Q How did you know about the series of letters?

6 A All in the press.

7 Q Let's leave the press out of this.

8 A Again, it may have come up at a staff meeting.
9 It may have been raised as a question. I don't remember
10 any specific discussion about it.

11 Q Was this a matter that would have been within
12 your area of concern at that point?

13 A Not particularly, no.

14 Q Whose area of concern would it have lain in?

15 A I assume the counsel's office and Mr. Podesta.

16 Q Why would it have been in Mr. Podesta's area of
17 concern?

18 A He was working on Whitewater.

19 Q Was he part of that damage control group?

20 A I think so, yes. Again, I should say I might be
21 aware of things, I get involved in a lot of things.
22 Doesn't mean I am assigned to work on it. But I wasn't

1 working on this.

2 Q Do you know why you were on a distribution list
3 for receiving a copy of Mr. Altman's letter to Senator
4 Riegle of March 3 regarding his testimony?

5 A Just as a -- I get on a lot of people's copy
6 list. I am copied on a lot of the paper flow that goes
7 through the White House, especially something like this
8 where we might get questions about it and I can just refer
9 to the letter to answer anything.

10 Q Do you have your own fax machine in your office?

11 A Not in my office.

12 Q Is there one dedicated to your use?

13 A I have a number. I share it with some other
14 people.

15 Q Who else do you share it with?

16 A It's the Office of the President.

17 Q Who else shares that fax machine?

18 A Probably 8 or 10 people.

19 Q Mr. Ickes?

20 A No, not Mr. Ickes. Mr. Lindsey, Nancy Hernreich,
21 H-e-r-n-r-e-i-c-h. I don't know if she has one actually.

22 Q Would Mr. McLarty use it?

1 A I don't think so, but maybe.

2 Q Mr. Ickes you said would not?

3 A He is on another floor, I don't think so.

4 Q Mr. Gergen?

5 A No.

6 Q Mr. Gearan?

7 A No.

8 Q Ms. Myers?

9 A No.

10 Q So, of the names I have read to you, Mr. McLarty,
11 Mr. Ickes, Mr. Gergen, Mr. Gearan and Ms. Myers, and
12 yourself, you were the only one who would be generally
13 receiving faxes on your --

14 A No, Mac.

15 Q Mac and Bruce?

16 A Yes. Mac could. There's a fax machine across
17 the hall between our two offices.

18 Q Did you make any effort, apart from your
19 conversation -- putting to one side your conversation with
20 Mr. Steiner, did you make any effort to generate letters or
21 correspondence or communications from citizens to go to
22 Mr. Stephens to suggest that he be -- that he recuse

1 himself from handling the Madison matter?

2 A No.

3 MR. BRAND: That's a good idea.

4 THE WITNESS: Good idea, right.

5 BY MR. CHERTOFF:

6 Q Do you know of any such efforts?

7 -A No.

8 Q After March 4, when the subpoenas were served,
9 did you receive any instructions to stop talking to other
10 people concerning the Madison/Whitewater matter?

11 A Once I retained an attorney, sure.

12 Q Can you just tell me the date you retained an
13 attorney?

14 MR. BRAND: Saturday, March -- I am going to say
15 March 5.

16 THE WITNESS: It was either the 5th or the 12. I
17 don't know which one.

18 BY MR. CHERTOFF:

19 Q As of the time you retained counsel you stopped
20 talking to others about this matter?

21 A Uh-huh. Yes.

22 MR. BRAND: You keep saying the subpoena was

1 served on March 4. I don't think that was correct.

2 MR. CHERTOFF: It was announced on March 4. When
3 was your subpoena --

4 MR. BRAND: I got called by the FBI assigned to
5 Mr. Fiske's office and was asked if I would accept service
6 of process. I said I was authorized to and I did. That
7 would have been the week of the, I think the 14th, so I
8 will check.

9 BY MR. CHERTOFF:

10 Q So was it not until the 14th that you were served
11 with a subpoena?

12 A I would have to defer to him.

13 MR. BRAND: I was served.

14 BY MR. CHERTOFF:

15 Q Well, served through counsel.

16 A Yes.

17 Q Do you know whether Mr. Ickes was communicating
18 with the first lady concerning the issue of the Rose Law
19 Firm or Madison Guaranty?

20 A No, I don't know.

21 Q Was that anything that you would have been
22 involved in?

1 A No.

2 Q Do you recall a discussion with Joel Klein about
3 Madison Guaranty or Whitewater?

4 A No.

5 MR. CHERTOFF: Okay. I think that concludes my
6 questions. I don't know -- you have, I guess, some
7 concluding statements you usually make, concluding advice.

8 MR. CODINHA: I am never here at the end.
9 Concluding advice is usually given by somebody else.

10 For the record, we normally tell people who are
11 being deposed, we ask them not to discuss their testimony
12 with anyone else other than their personal counsel and
13 advise them that each and every person deposed will be
14 asked who they spoke with prior to their depositions and
15 what was discussed. And, therefore, any discussions you
16 may have with other deponents will be made a part of the
17 record. This investigation could prove either embarrassing
18 to you or to them. I just wanted to advise them.

19 MR. CHERTOFF: I guess, Mr. Brand, you indicated
20 you would follow up on getting us a couple of items.

21 MR. CODINHA: One was a record of your interview
22 with the IG and the second was --

1 MR. CHERTOFF: Was the press interview regarding
2 the February 25 conversation?

3 MR. BRAND: Okay.

4 MR. CODINHA: You want to know the date the
5 subpoena was served?

6 MR. CHERTOFF: Yes. We can find that out
7 otherwise.

8 (Whereupon, at 4:55 p.m., the deposition was
9 concluded.)

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GEORGE R. STEPHANOPOULOS

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CERTIFICATE OF NOTARY PUBLIC & REPORTER

125

I, WENDY S. CASWELL, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn; that the testimony of said witness was taken in shorthand and thereafter reduced to typewriting by me or under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and, further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.


Notary Public in and for the
District of Columbia

My Commission Expires OCTOBER 31, 1997

**DEPOSITION OF MARGARET A. WILLIAMS
IN RE: S. RES. 229**

WEDNESDAY, JULY 20, 1994

**U.S. SENATE,
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
Washington, DC.**

Deposition of MARGARET A. WILLIAMS, called for examination pursuant to notice of deposition, at 1:57 p.m. in the Hart Senate Office Building, Room SH-640A, before JULIE BAKER, a Notary Public within and for the District of Columbia, when were present:

**J. WILLIAM CODINHA, Esq.
Majority Special Counsel
MICHAEL CHERTOFF, Esq.
Minority Special Counsel
RAYMOND NATTER, Esq.
Republican General Counsel
Committee on Banking, Housing, and Urban Affairs
U.S. Senate
On behalf of the Committee.**

**EDWARD S. G. DENNIS, JR., Esq.
Morgan, Lewis & Bockius
1800 M Street, NW
Washington, DC 20036
On behalf of the Deponent.**

**ALSO PRESENT: HOWARD G. PASTER
TIMOTHY P. MITCHELL**

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P R O C E E D I N G S

1
2 MR. CODINHA: Ms. Williams, thank you for being
3 here today. My name is J. William Codinha. I'm special
4 counsel to the Senate Banking Committee, which is
5 investigating, pursuant to Senate Resolution 229, whether
6 improper conduct occurred regarding the communications
7 between officials of the White House and Department of the
8 Treasury or the Resolution Trust Corporation relating to
9 the Whitewater Development Corporation and the Madison
10 Guaranty Savings & Loan Association.

11 There are also two other areas which relate to
12 Vincent Foster's death and the handling of Vincent Foster's
13 papers. And I'm not going to describe the exact
14 terminology of Senate Resolution 229, although I will make
15 Senate Resolution 229 an exhibit because I suspect you will
16 not have information about that and we will not be
17 questioning you about that today.

18 MR. CHERTOFF: Can we go off the record for a
19 second?

20 MR. CODINHA: Okay.

21 (Discussion off the record.)

22 MR. CODINHA: Mr. Chertoff reminds me that I

1 should clarify the statement I just made and that is
2 although it is covered by Senate Resolution 229, the
3 question of the handling of the Foster post-mortem papers,
4 I'm not going to be questioning you about that today
5 because Mr. Fiske, the independent counsel, has advised the
6 Senate he has not completed his investigation and asked us
7 not to proceed on that until he finished in the Senate at
8 least in the depositions, honoring that request.

9 So it may be necessary sometime, when Mr. Fiske
10 completes his investigation, to call you back, and that's
11 the reason why we wouldn't complete the investigation
12 today.

13 THE WITNESS: I'm sorry, you said that at least
14 the deposition will not deal with that?

15 MR. CODINHA: Right.

16 THE WITNESS: As opposed to --

17 MR. CODINHA: As opposed to the hearing. And the
18 reason I say that is because it is a decision that will be
19 made above my pay grade as to what is going to be the
20 subject matter of the hearing, and I don't know that the
21 chairman and the ranking member have discussed whether that
22 subject will be taken up at the hearings. I would suspect

5

1 not since we're not taking depositions on that subject, the
2 post-mortem handling of Vincent Foster.

3 THE WITNESS: Not to be pushy here, but if I can
4 ask a further question.

5 MR. CODINHA: Sure.

6 THE WITNESS: If the Senate committee decides
7 that they want to pursue this in the hearings, then I'm
8 likely to be back in a deposition on that prior to the
9 hearing?

10 MR. CODINHA: Yes. That would probably occur.

11 THE WITNESS: The deposition will always precede
12 the --

13 MR. CODINHA: That's the way we like to do it.

14 THE WITNESS: Okay. Fine.

15 MR. CODINHA: Good question, though at this point
16 I'll mark as Exhibit Number 1 a copy of Senate Resolution
17 229.

18 (Williams Exhibit 1 identified.)

19 MR. CODINHA: This deposition is being taken as a
20 result of a letter request from the Senate Banking
21 Committee from Chairman Riegle and Ranking Member D'Amato.
22 This deposition is being taken in preparation for hearings

6

1 scheduled to begin on or before July 29, 1994, and I would
2 just advise you that you may be called to testify before
3 the committee at those hearings, and you should build into
4 your schedule the possibility you'll be called. I can't
5 tell you right now with certainty the date you'd be called,
6 but I just want to give you whatever advance notice this is
7 of that possibility.

8 THE WITNESS: That's pretty good advance notice.

9 MR. CODINHA: You will be sworn when this
10 deposition begins, and I'll be asking you a series of
11 questions. You'll be under oath and you'll be expected to
12 give honest and truthful answers to the questions. If you
13 don't understand a question I ask you, identify the portion
14 of it that you don't understand, and I'll attempt to
15 rephrase it.

16 There may be objections from counsel, which,
17 if -- there's an objection known as the form of the
18 objection. If counsel raises a form objection, I may ask
19 counsel to tell me how he would like the question rephrased
20 and if that's acceptable, we'll proceed from there. I
21 would advise you that you shouldn't guess or speculate in
22 this deposition. Just testify to what you know.

1 The stenographer will prepare a record of all
2 questions, answers and any objections that are made. The
3 transcript of this deposition will be marked or kept
4 committee confidential until the commencement of the
5 hearings, at which time the members will decide how to
6 handle the transcript. And we do have security procedures
7 in how these are being handled now.

8 Once a transcript is made, and one will be made
9 by tomorrow, it will be available at the committee offices
10 by talking to Kelly Cordes at 224-1568, your counsel, and
11 you can arrange to read it at our offices. No copy will be
12 made for you and it won't be sent to you.

13 There will be a jurat page attached to that and a
14 jurat page, as your counsel can explain to you, is an
15 opportunity for you to make changes in the transcript. For
16 instance, if there's a misspelling of someone's name, if
17 you get a date wrong, you can just make changes on that
18 jurat page and that gets included with the deposition.

19 I would advise you, however, that using a jurat
20 page has some consequences to it. And that is, if you
21 substantially change an answer, it may require you to come
22 back and be redeposed on that, if, for instance, an answer

1 changes from yes to no or more people are put at a meeting
2 or conversations are entered. I just wanted to let you
3 know that.

4 You may confer with your counsel at any time. If
5 you require to see your counsel outside of this room, we
6 will try to arrange a confidential place, but because these
7 aren't our offices, we have to sort of work around it. We
8 may have to leave and let you talk to your counsel, but
9 don't be inhibited by that. The stenographer will record
10 that you're talking to your counsel, but she won't take
11 down what you're saying to him.

12 This deposition will be strictly limited to the
13 scope of the hearings as delineated in Senate Rule 229, and
14 I've discussed counsel making objections to the form of the
15 objection, but there's another special objection that is
16 allowed at these depositions, and that is the only other
17 objection which may be made at this deposition is an
18 objection that the subject matter of the question is
19 outside the scope of Senate Resolution 229.

20 In the event that a scope objection is made and
21 not resolved on the record, the question will be asked for
22 the record and held until the conclusion of the deposition,

1 at which time it will be brought to the attention of
 2 Chairman Riegle or his designee for a final and binding
 3 determination as to whether an answer is required.

4 So if a scope objection is made, please don't
 5 answer the question unless you are advised that the
 6 objection has been resolved. And probably the only people
 7 who are going to be making scope objections are
 8 Mr. Chertoff or myself, and it's just that it's beyond the
 9 Senate resolution, and we've been able to resolve most of
 10 them. So I'd just advise you of that.

11 Do you understand the terms under which this
 12 deposition is going to be taken?

13 THE WITNESS: Yes, I do.

14 MR. CODINHA: If that's the case, would you swear
 15 the witness and we shall begin.
 16 Whereupon,

17 MARGARET A. WILLIAMS
 18 was called as a witness and, having first been duly sworn,
 19 was examined and testified as follows:

20 EXAMINATION

21 BY MR. CODINHA:

22 Q Ms. Williams, would you please tell us your name,

10

1 your entire full name.

2 A Margaret Ann Williams.

3 Q What is your date of birth?

4 A 12/25/54.

5 Q And what is your Social Security number?

6 A

7 Q What is your address?

8 A

9 Q And with whom do you live there?

10 A No one.

11 Q What is your current position and title?

12 A Assistant to the president and chief of staff to
 13 the first lady.

14 Q How long have you had that position?

15 A Since January 20, 199 -- what was it -- '93. It
 16 seems longer.

17 Q As part of a request in a letter that was sent to
 18 you from Senators Riegle and D'Amato, we asked you to bring
 19 along a current CV. Do you have that?

20 A No, I don't, but I'll forward it to you.

21 Q What I'd like to do -- what I normally do at this
 22 time is ask you for your CV. You give it to me. I mark it

11

1 as the next exhibit. The question I ask about it is, is it
2 accurate.

3 A Okay.

4 Q So rather than bring you back just to ask you
5 that single question, I'd like you to submit an accurate CV
6 to us that we can append, and we'll make it an exhibit to
7 this deposition.

8 What was the -- strike that.

9 What are your duties and responsibilities for the
10 position you first held with the government?

11 A For the position I first held?

12 Q The one, January 20, '93.

13 A As the chief of staff to the first lady, I manage
14 a staff of 13 people who are involved in policy work, press
15 work and the events side of the White House. Additionally,
16 as a carry-over from our campaign, we have a lot of
17 departments that are integrated, and by that, I mean they
18 do work for both the president and the first lady. For
19 instance, in the speech writing department, if there is a
20 speech that's needed on health care policy, I will go and
21 negotiate and talk with the speech writers.

22 Our scheduling in advance, operation for the

12

1 first lady actually works out of the president's
2 operation. So I interface with the operations of the
3 president's staff. As assistant to the president, I serve
4 and I work for the chief of staff to the president. I
5 attend all senior staff meetings.

6 When it is necessary or when asked, I can also
7 attend cabinet meetings, and in particular, take on
8 assignments that are given to me by the chief of staff.

9 Q Who explained your duties and responsibilities to
10 you when you came to the White House on January 20, 1993?

11 A Well, there was a general meeting for assistants
12 to the president in which, I believe, we were kind of told
13 what our jobs were. Specifically, with respect to the
14 office of the first lady, clearly this first lady was going
15 to be involved in policy matters, and this was, as I
16 understand it, really kind of a first time. So we were
17 figuring out as we went along what my duties would be with
18 respect to health care, but we understood that my duties
19 would involve a lot of the health care works since that was
20 her main priority.

21 Additionally, given her dual roles, the largest
22 part of our 13-person staff happens to be allocated to

13

1 press work, given the number of press calls that come in,
 2 and that the press interest in Mrs. Clinton, from the hats
 3 that she wears to what she says on health care, all of the
 4 kinds of questions that we get as a general course, though
 5 we've learned a lot about what those duties are for this
 6 kind of first lady.

7 Q To whom do you report -- I'm sorry. Let me just
 8 take a step back and rephrase that.

9 What is your exact title? I know you gave it to
 10 me and I missed it.

11 A Assistant to the president and chief of staff to
 12 the first lady.

13 Q As assistant to the president and chief of staff
 14 to the first lady, to whom do you report?

15 A I reported to Mack McLarty, and I also reported
 16 to Mrs. Clinton.

17 Q Do you report to anyone else?

18 A No, I don't report to anyone else, but if the
 19 president or the vice president or Mrs. Gore asked me
 20 something, I'm sure I would not have a difficult time
 21 reporting to them.

22 Q You indicated you report to Mack McLarty. Do you

14

1 continue to report to Mack McLarty even though there's been
 2 a change in the chief of staff?

3 A No. Now I report to Leon Panetta.

4 Q Who reports to you in your position as assistant
 5 to the president and chief of staff to the first lady?

6 A Our press secretary, Lisa Caputo; our press
 7 assistants, Neil Lattimore and Karen Finney; our deputy
 8 chief of staff, Melanne Verveere, who handles a lot of our
 9 policy work; Ann Stock, who is the social secretary of the
 10 White House; I can't think of -- Joyce Bene, her assistant;
 11 Helen Dickey, her assistant in the social office; Evelyn
 12 Lieberman, who is my special assistant; and Diane Limo, who
 13 is our office manager.

14 Q Those are the people who report to you?

15 A Yes.

16 Q I'm going to ask you about a number of people and
 17 whether you know them and how you know them. Do you know
 18 an individual by the name of George Stephanopoulos?

19 A Yes, I do.

20 Q Who do you know him to be?

21 A I know him to be senior adviser for domestic
 22 policy for the president.

- 1 Q And he works in the White House?
 2 A Yes, he does.
 3 Q Do you report to him?
 4 A No, I don't report to George.
 5 Q Does he report to you?
 6 A No, he doesn't report to me.
 7 Q Do you know who Harold Ickes is?
 8 A Yes, I do.
 9 Q Who do you know Harold Ickes to be?
 10 A He's the deputy chief of staff to the president
 11 and the person charged with health care.
 12 Q Do you report to Mr. Ickes?
 13 A No, I do not.
 14 Q Mr. McLarty, you've already told us is the chief
 15 of staff and you do report to him?
 16 A Yes.
 17 Q Do you know who Mr. Lindsey is?
 18 A Bruce Lindsey, yes, I do.
 19 Q Who do you know Mr. Lindsey to be?
 20 A Senior adviser to the president.
 21 Q Do you report to Mr. Lindsey?
 22 A No, I do not.

- 1 Q Do you know Mr. Gearan?
 2 A Mark Gearan, director of communications.
 3 Q Do you report to Mr. Gearan?
 4 A No, I do not report to Mr. Gearan.
 5 Q And do you know a Mr. Gergen?
 6 A Yes, I do.
 7 Q And what is Mr. Gergen's first name?
 8 A David Gergen.
 9 Q What is his position?
 10 A Well, now, he is an advisor, both to the
 11 secretary of state and to the president.
 12 Q And do you now or did you report to Mr. Gergen?
 13 A No, I did not.
 14 Q Do you know Mr. Nussbaum?
 15 A Bernie Nussbaum, yes.
 16 Q Who was he?
 17 A White House counsel.
 18 Q Did you report to Mr. Nussbaum?
 19 A No, I did not.
 20 Q Do you know who Mr. Sloan was?
 21 A Cliff Sloan, yes.
 22 Q And what position does he have?

- 1 A He's an associate in the counsel's office.
 2 Q Do you report to Mr. Sloan?
 3 A No, I do not.
 4 Q Do you know Mr. Eggleston?
 5 A Neil Eggleston, in the counsel's office.
 6 Q Did you report to Mr. Eggleston?
 7 A No, I didn't report to Mr. Eggleston.
 8 Q Do you know Beth Nolan?
 9 A Yes, I do.
 10 Q Who is Beth Nolan?
 11 A She's the ethics officer for the White House.
 12 She's in the White House counsel's office.
 13 Q Is she sometimes referred to as a DAEO, a
 14 designated agency ethics officer?
 15 A I've never heard the word "designated" used with
 16 her.
 17 Q Did you report to Ms. Nolan?
 18 A No, I did not.
 19 Q I'll now ask you about people outside of the
 20 White House. Do you know of an individual by the name of
 21 Jean Hanson?
 22 A Yes, I know Jean Hanson.

- 1 Q How do you know Jean Hanson?
 2 A She's at Treasury. She's the counsel. I first
 3 met Jean in connection with Treasury's work with the health
 4 care interdepartmental group and now the health care
 5 communications group.
 6 Q When did you meet her?
 7 A Maybe a year ago. I'm not quite certain when I
 8 met her. I met her in a meeting.
 9 Q Around July of '93, then?
 10 A Oh, I would have to check. Whenever we were
 11 working with the Treasury Department on supporting the
 12 administrative work of health care is when I met her, so
 13 that could have been -- I don't know exactly the day.
 14 Q Do you know Roger Altman?
 15 A Yes.
 16 Q Who do you know Roger Altman to be?
 17 A The deputy Treasury secretary.
 18 Q And for how long a time have you known Roger
 19 Altman?
 20 A Since the health care task force was announced,
 21 for sure. So I guess that was the end of January '93,
 22 beginning of February '93.

- 1 Q Do you know Josh Steiner?
 2 A Yes, I know Josh Steiner.
 3 Q And what do you know Josh Steiner to do?
 4 A Chief of staff for Treasury Secretary Bentsen.
 5 Q Did you know him before he was chief of staff to
 6 Secretary Bentsen?
 7 A No, I did not.
 8 Q Do you know Joan Logue-Kinder?
 9 A I believe I met her. I don't know her, but I'm
 10 sure I met her.
 11 Q And who do you believe her to be?
 12 A I believe she works in the public relations
 13 department or in the press department for Treasury.
 14 Q Do you know Jack DeVore?
 15 A I've never met Jack DeVore, but I know he
 16 worked -- I think he was Bentsen's press secretary at one
 17 time.
 18 Q Do you know Secretary Bentsen?
 19 A To say hello, yes.
 20 Q Have you met Secretary Bentsen before?
 21 A Oh, yes.
 22 Q I'm now going to move to some individuals that

- 1 are beyond Treasury. Do you know a William Roelle?
 2 A No. William Roelle?
 3 Q Yes, R-o-e-l-l-e, from the RTC?
 4 A No.
 5 Q Do you know Jack Ryan from the RTC?
 6 A No.
 7 Q Do you know Ellen Kulka from the RTC?
 8 A No.
 9 Q Do you know -- off the record.
 10 (Discussion off the record.)
 11 BY MR. CODINHA:
 12 Q Do you know Stephen Katsanos?
 13 A No.
 14 Q I'm going to begin asking you a series of
 15 questions, and the date -- the single date that I want you
 16 to focus on is beginning in January of 1993. All of the
 17 questions that I'm going to ask go back to January of 1993,
 18 not before that. So from the time you took your position
 19 with government, January 20, 1993. Beginning in January of
 20 1993, when was -- strike that.
 21 Have you ever heard the term "Whitewater" or
 22 "Madison" or "Madison Guaranty Savings & Loan" or

1 "Whitewater Development Corporation"?

2 A In January 1993?

3 Q Beginning in January 1993.

4 A No, I had not.

5 Q When was the first time you heard the terms
6 "Whitewater" or "Madison" or "Madison Guaranty Savings &
7 Loan" or "Whitewater Development Corporation"?

8 A I don't know. I think -- I'm going to say
9 February of '94 or January of '94 or December of '94,
10 somewhere in there -- or December of '93. It seems to me
11 sometime late in the year or early in '94.

12 Q And the question I asked is when you first heard
13 of it. Now I'm going to ask when was the first time any
14 government official discussed the subject of Madison,
15 Whitewater, Madison Guaranty Savings & Loan or Whitewater
16 Development Corporation in your presence?

17 A A government official -- would that include -- a
18 government official would be someone on White House staff?

19 Q Yes.

20 A I don't know. I can't pinpoint who or when, but
21 my guess is that it had to do with some press related
22 question or somebody wanted me to find out something in the

22

1 press. It seems like it was a press related thing was the
2 first time I ever heard about it.

3 Q Do you recall how it came up, the subject of
4 Whitewater or Madison?

5 A No, I don't recall how it came up.

6 Q Rather than repeating the words of the resolution
7 each time, when I say "Whitewater" or "Madison," I'm
8 including Madison Guaranty Savings & Loan and we're
9 including Whitewater Development Corporation, but I'll just
10 say "Madison" or "Whitewater," as long as you understand
11 what I'm talking about.

12 A Fine.

13 Q You indicate the first time you think you heard
14 of Madison or Whitewater is December '93, January '94 or
15 February of '94.

16 A Uh-huh.

17 Q And what do you believe was the context in which
18 you first heard of Madison or Whitewater?

19 A Well, I'm sure it was -- I'm sure it would be
20 press related for me. I mean, I don't know specifically,
21 but it would not be inconsistent to think that there was a
22 question that press people were calling with about

23

1 Whitewater and someone suggested it, one of the huge facets
 2 of it. I don't know what the specific question would be.
 3 There are so many questions about it, but that's generally
 4 how -- that's how I would have heard about it.

5 Q Let me ask you this: You've indicated that the
 6 first time you ever heard of Whitewater or Madison was
 7 December, January or February. So if a press person
 8 called, how would you know anything to respond?

9 A Well, I wouldn't. I mean, I wouldn't. I'd
 10 probably go trucking around trying to find an answer or
 11 usually what would happen is either Lisa or Neil or Karen
 12 or somebody might get a call, and then if they didn't know
 13 about it, they would come to me, and they would say what do
 14 you know about it. If I didn't know about it, I would
 15 think of who I would go to about it.

16 Q So you believed the first contact you had was
 17 press related. When you heard the term "Whitewater" or
 18 "Madison," did it mean anything to you?

19 A Actually, I don't know how I first heard of it,
 20 and who told me about it, but I know it had to do with a
 21 land deal and it had come up at some point during the
 22 campaign, pre-my participation in the campaign.

24

1 Q Is that information that you had determined when
 2 you first heard the term "Whitewater" or "Madison" or
 3 something you brought to the issue?

4 A It's very murky for me. I really can't say. I
 5 really can't say how I got the information, if I read about
 6 it first in the newspaper, if I heard a casual
 7 conversation. I really can't say.

8 Q Have you thought about this question before
 9 today?

10 A No, I really haven't thought about this question
 11 before today.

12 Q Well, then, perhaps let me ask a couple of
 13 preliminary questions. Have you been interviewed by any
 14 investigative body before today about the subject matter of
 15 Senate Resolution 229?

16 A Yes.

17 Q What are the investigative bodies that have
 18 interviewed you?

19 A They've -- I guess the special counsel.

20 Q Office of Independent Counsel?

21 A Yes.

22 Q That's Mr. Fiske's group?

1 A That's correct. I don't know -- who else?

2 MR. DENNIS: The RTC and Treasury IG.

3 THE WITNESS: IG.

4 BY MR. CODINHA:

5 Q Were those separate interviews? RTC was one
6 interview and Treasury IG was a second?

7 MR. DENNIS: No. They were combined.

8 BY MR. CODINHA:

9 Q Any other investigative bodies interview you?

10 MR. DENNIS: White House counsel.

11 THE WITNESS: Oh, yeah.

12 BY MR. CODINHA:

13 Q Any other investigative bodies interview you?

14 A I believe the FBI -- I think it was the FBI.

15 Q Any other investigative bodies interview you?

16 A That's all I can think about.

17 Q Just going through --

18 MR. DENNIS: I'm assuming that the office of the
19 special counsel includes the grand jury as well.

20 MR. CODINHA: I think that would be a correct
21 interpretation.

22 BY MR. CODINHA:

1 Q Office of Independent Counsel, when did they
2 speak to you, as best you can recall? A month will do.

3 A I'll have to -- I don't even know anymore.
4 They've interviewed me twice.

5 MR. DENNIS: I can get the dates for you. I
6 don't remember myself, and I was there. I can give you the
7 dates.

8 BY MR. CODINHA:

9 Q When they interviewed you, did they -- you did
10 appear before the grand jury?

11 A Yes, I did.

12 Q Did you appear before the grand jury on both
13 occasions you were interviewed?

14 A No. Actually, before the grand jury twice and
15 once without the grand jury.

16 Q So you were before the grand jury twice?

17 A Twice, and once without the grand jury.

18 Q In the two times you appeared before the grand
19 jury, were you interviewed in advance of going to the grand
20 jury?

21 A No, no.

22 Q You were just put into the grand jury?

1 A Yes. The first time I was just put into the
2 grand jury. Let me think -- I guess I didn't connect --
3 well, the interview that I had, I think, was before the
4 second grand jury. I did not necessarily connect it as a
5 pre-interview for the grand jury. I just didn't, but I
6 guess it could be seen that way.

7 Q Let me separate those out. The first time you
8 appeared before the Office of Independent Counsel, you were
9 put before the grand jury and you were asked questions from
10 the grand jury?

11 A Right.

12 Q The second time that appeared, was that on a
13 separate date?

14 A Separate date.

15 Q And was it separated by a substantial period of
16 time, or was it immediately the next day, or do you recall?

17 A It seems like it was more than a day. It was
18 separated, probably by more than a day.

19 MR. DENNIS: It was a substantial period of time.

20 BY MR. CODINHA:

21 Q On the second time you appeared before the Office
22 of Independent Counsel, was there a pre-interview before

1 you went into the grand jury?

2 A No.

3 Q And you indicated there was a third time that you
4 appeared but didn't go on the grand jury?

5 A There was a third time I appeared and didn't go
6 before the grand jury, but let me see if I can make this
7 plainer because I'm getting confused myself. There was a
8 grand jury with no pre-interview. Then there was a
9 substantial amount of time, I believe, and there was an
10 interview. Then there was time that elapsed again, and
11 then there was no pre-interview and a second appearance
12 before the grand jury.

13 Q I'd like to focus on the middle contact you had,
14 the one where you did not have a grand jury appearance but
15 did have an interview. Who was present at that interview?

16 A From the -- my attorney. From the Office of
17 Independent Counsel was --

18 MR. DENNIS: Mark Stein.

19 THE WITNESS: Mark Stein, and I forget the two
20 other people who were there.

21 BY MR. CODINHA:

22 Q Were they attorneys or FBI agents, or do you

1 know?
 2 A I believe they were FBI agents.
 3 Q Did anyone take notes at that interview?
 4 A I wasn't paying attention. I didn't.
 5 MR. DENNIS: I assume that they were, but I don't
 6 recall.
 7 BY MR. CODINHA:
 8 Q Have you been advised whether FBI 302s were
 9 created as a result of that interview?
 10 A I have not been advised one way or the other.
 11 Q Have you seen any FBI 302s relative to your
 12 interview?
 13 A No, I have not.
 14 Q You indicated that the RTC and Treasury, through
 15 their IG, have interviewed you?
 16 A Yes.
 17 Q When did that take place?
 18 A Monday of this week. This is Wednesday? It was
 19 Monday.
 20 Q Was a transcript of that interview prepared?
 21 A Oh, yes, I believe there was a reporter.
 22 Q Have you seen a transcript prepared?

1 A No, I have not.
 2 Q Do you have a copy of that?
 3 MR. DENNIS: I have it.
 4 BY MR. CODINHA:
 5 Q Do you have any objection to us getting a copy of
 6 it?
 7 A No, I do not.
 8 MR. DENNIS: No.
 9 MR. CODINHA: We'd ask for a copy. Thank you.
 10 BY MR. CODINHA:
 11 Q You indicated White House counsel interviewed
 12 you. Who interviewed you from White House counsel?
 13 A Jane --
 14 Q Jane Sherbourne and Sheila Cheston?
 15 A Yes, although I think they were kind of in and
 16 out.
 17 Q Was a transcript prepared of that interview?
 18 A No.
 19 Q Was anyone taking notes?
 20 A I think so.
 21 Q Who took notes?
 22 A Either Jane or Sheila. Not me.

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1 Q Have you seen any transcription of those notes?

2 A No, I have not.

3 Q Were those notes submitted to you for your
4 approval?

5 A No.

6 Q And when did that interview take place?

7 A Last Thursday, I think, but I'll have to check my
8 calendar. Last Thursday, though, I believe.

9 Q Was anyone else besides Jane Sherbourne, Sheila
10 Cheston, you and your counsel present for that interview?

11 A No.

12 MR. DENNIS: There was my associate, Jack Dodds.

13 THE WITNESS: Jack Dodds. Cutler stuck his head
14 in, but wasn't there for the interview. That's it.

15 BY MR. CODINHA:

16 Q And you indicated you also had an interview or
17 interviews with FBI. Is that the one that you told me
18 about earlier, or was this a second interview with the FBI?

19 A This was prior to any of those interviews, and it
20 was after Vincent's death.

21 Q Did it relate to the handling of the Foster
22 papers?

32

1 A It related to that evening, the 9th.

2 Q Have you told me all of the investigative bodies
3 to whom you've spoken?

4 A That I can remember.

5 Q And we understand that the House of
6 Representatives is also doing an investigation. Have you
7 spoken to them?

8 A Not yet.

9 Q Are you intending to speak to them?

10 A Yes. That is my intention.

11 Q And when is that scheduled?

12 A Saturday --

13 MR. DENNIS: This Saturday. We don't have a time
14 yet.

15 BY MR. CODINHA:

16 Q I'm now going to focus on incidents happening
17 during the year 1993 and 1994, and the first ones will be
18 before the December '93 time frame that you indicated was
19 the first time you heard of Whitewater. Do you recall
20 having any conversations with individuals from the
21 Department of the Treasury on or about September 2, 1993?

22 A September 2, 1993 -- about this matter, I don't

1 recall.

2 Q Yes. Everything I ask you, by way of predicate,
3 the predicate is that it's related to Senate Resolution
4 229, because I realize in your position, you may have
5 contacts with lots of agencies. You don't recall that?

6 A No, I do not.

7 Q Do you recall talking to Jack DeVore on or about
8 September 2, 1993?

9 A No.

10 Q Do you recall talking to Roger Altman on or about
11 September 2, 1993?

12 A No.

13 Q I'd like to show you a document, number T2961,
14 which has been delivered to us from Treasury, and it's the
15 call sheet from Jack DeVore's telephone log, and about
16 two-thirds of the way down it indicates that a 12:30 call
17 was received from Roger Altman and to please call him as
18 soon as possible. And the action taken was that he called
19 Maggie Williams, chief of staff to Mrs. Clinton.

20 A Who called me?

21 Q It would indicate that Jack DeVore called you.

22 A I don't remember ever taking a call from Jack

1 DeVore.

2 Q It could have been Roger Altman. Would that help
3 if it was Roger Altman who made the call?

4 A Yes. I talked to Roger frequently so if Roger
5 called me -- I mean, yeah -- I don't remember ever taking a
6 call from Jack DeVore.

7 MR. DENNIS: Let me make sure I understand the
8 log. This is a telephone log -- is this DeVore's telephone
9 log?

10 MR. CODINHA: This is DeVore's telephone log. It
11 would appear to be that Roger Altman called DeVore, and the
12 message was "please call Altman as soon as possible," and
13 the action that he took appears to be that he called Maggie
14 Williams, chief of staff to Mrs. Clinton.

15 MR. DENNIS: This would be the action that DeVore
16 took?

17 MR. CODINHA: That's what it would appear to be.

18 THE WITNESS: I don't remember ever taking a call
19 from Jack DeVore -- I've never actually met or talked to
20 Jack DeVore.

21 MR. DENNIS: It doesn't say that DeVore calls
22 Williams. It just says "Maggie Williams, chief of staff,

1 Mrs. Clinton," but it doesn't say what.
2 MR. CODINHA: Under "action taken."
3 MR. DENNIS: Just "action taken," okay. This up
4 here at the top -- oh, this is your handwriting or someone
5 else's handwriting?
6 MR. CODINHA: Nothing on there is handwriting of
7 anyone in the Senate. This was as we received the
8 document, redactions from the Department of the Treasury
9 that was responsive to a letter request turning up
10 documents that had to do with Whitewater, Madison,
11 Treasury, White House contacts.
12 MR. DENNIS: So this "JRD" up at the top, you
13 don't know what that is.
14 MR. CODINHA: I assume that's Jack DeVore.
15 THE WITNESS: Jack DeVore, probably.
16 MR. DENNIS: From Jack DeVore's September-October
17 1993 daily phone log "LF 3/9/94." Do you know what that
18 is, Mr. Codinha?
19 MR. CODINHA: I would be interpreting something I
20 don't know.
21 THE WITNESS: Well, whatever.
22 BY MR. CODINHA:

1 Q That does not help you in knowing whether you
2 took --
3 A No.
4 MR. DENNIS: What did you mark that as?
5 MR. CODINHA: For your own information, we are
6 not marking exhibits. It's T2961, which tells us that it's
7 a Treasury document number 2961.
8 MR. DENNIS: That's your marking.
9 MR. CODINHA: It's Treasury's markings.
10 MR. DENNIS: Oh, it's Treasury's, okay. Thank
11 you.
12 BY MR. CODINHA:
13 Q What was the next contact or event which referred
14 to Madison or Whitewater that you can now remember?
15 A What I have to distinguish, and it's hard to
16 distinguish at this point, is when was the first time I
17 actually -- in my head -- when was the next time or when is
18 the next time, kind of based on all this, that an event
19 stands out in my mind. So I'm having trouble making a
20 distinction whether or not this was in real time the next
21 time I heard or how I've just put this together.
22 Be that as it may, I think the next time I ever

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1 focused on it was someone telling me about a Sue Schmidt
2 article or reading a Sue Schmidt article in The Washington
3 Post. I know when that was exactly. Maybe it's October --
4 I don't know when that was. I think it was October.

5 Q Do you recall having any discussions with
6 Mr. Lindsey about this subject?

7 A I don't recall if I remember having a discussion
8 with Bruce or him saying that there was an article that was
9 going to mention Hillary and Whitewater and the RTC. I
10 don't know. It could have been because Bruce, in my mind,
11 was the person who knew about Arkansas. So it's probably
12 Bruce. I don't remember the exact conversation, but I
13 remember -- I remember either going through the Sue Schmidt
14 article and reading it, like in my bunch of clips or having
15 someone tell me, and I think it was Bruce, about it coming
16 or telling me about it coming. But I remember something
17 around the Sue Schmidt article.

18 Q When do you recall Mr. Lindsey having this
19 conversation with you?

20 A I don't know if it was before or after the
21 article.

22 Q Before or after the article appeared?

38

1 A I don't know.

2 Q Where did the conversation take place?

3 A Oh, I don't know. I wouldn't recall.

4 Q Who was present when this conversation took
5 place?

6 A I don't remember it formally -- as a conversation
7 where people sat down. You know, people are always passing
8 each other in the hall or whatever. I don't remember it as
9 a formal conversation.

10 Q Is Mr. Lindsey a senior adviser to the president?

11 A Yes.

12 Q Do you have regular interaction with Mr. Lindsey
13 in your position as chief of staff and adviser to the
14 president?

15 A I see Bruce all the time. I knew him from the
16 campaign, and he, prior to that, worked as the personnel --
17 the director of personnel and I believe the director of
18 personnel at that time, so we would have had conversations.

19 Q Was he a person who had the authority to give you
20 tasks to do?

21 A Authority to give me tasks to do -- well, I think
22 we were collegial enough that he would ask me, you know.

39

1 He might say this person, such and such in personnel, you
2 might want to check this person out for such and such, or
3 you know, he could -- yeah.

4 Q Was it viewed by you that you were on equal basis
5 to him or was he superior or inferior to you in the
6 hierarchy?

7 A I viewed him as an assistant to the president,
8 the same as I was.

9 Q Did you ever have occasion to give him tasks to
10 complete?

11 A I'm sure there are things that I've asked Bruce
12 to do, sure.

13 Q Do you recall at any point Mr. Lindsey advising
14 you that you were going to have to get to know more about
15 Madison and Whitewater?

16 A Oh, no.

17 Q Do you recall anyone at the White House advising
18 you -- strike that -- any government official who advised
19 you that you were going to have to get to know more about
20 Madison or Whitewater?

21 A No.

22 Q Did you believe you were going to have to get to

40

1 know more about Madison or Whitewater at some point?

2 A Yes.

3 Q When did you begin to believe that?

4 A Press accounts mostly, as the press -- when it
5 would -- either there were press stories that appeared or
6 there were press calls that were coming in. I figured that
7 this was something to keep on my radar screen. But given
8 that my radar screen is full of lots of things, it would
9 not be extraordinary for me to think that. Right now, I
10 have on my radar screen Rabin and Hussein, who are
11 meeting -- I just need to keep it in the back of my head
12 because it's happening and I'm going to have something to
13 do with it down the line even if I don't know quite what.

14 Q When in a time context did that happen to you,
15 that you believed you were going to have to know more about
16 Madison or Whitewater?

17 A Once again, not being able to distinguish between
18 real time and what I've learned since, I think that I put
19 it in the back of my head after the Sue Schmidt article,
20 for some reason. I'm not great on times and dates.

21 Q Do you recall receiving a memo from Bruce Lindsey
22 about the subject of Whitewater?

1 A I don't recall seeing it, but I have since seen
2 it.

3 Q Who showed it to you?

4 A Treasury showed it to me.

5 Q When?

6 A On Monday.

7 Q Prior to having been shown that document, did you
8 recall having received it?

9 A No.

10 Q And referring you to exhibit number X000534 and
11 X000535, do you recognize what that document is? Its
12 markings, I will tell you, tell us it came from the White
13 House.

14 A This is the one that I signed. I've seen it.

15 Q This memo is a memorandum to the file from Bruce
16 Lindsey, dated October 20, 1993, re: Whitewater Development
17 Corporation. Does that assist you in recalling when it was
18 in time that you heard about Whitewater?

19 A Well, if the Sue Schmidt article was in October,
20 maybe it was in October, but I receive loads of memos from
21 people all the time. Some I get to. Some I don't. I
22 don't know. It doesn't necessarily assist me.

1 Q It's indicated on this memo that you were cc'd.
2 Bill Kennedy was cc'd. Who's Bill Kennedy?

3 A Bill Kennedy works in the counsel's office.

4 Q And Mark Gearan --

5 A He is the director of communications.

6 Q And do you know why you, Bill Kennedy and Mark
7 Gearan were cc'd on this document?

8 A Well, I don't know why Bill Kennedy was cc'd on
9 the document, but Mark and I because of press and Gerth of
10 The New York Times. That would be the reason.

11 Q Do you recall whether you read this document at
12 or about the time you received it?

13 A I don't.

14 Q Have you read it since then?

15 A I looked at it on Monday, and I just looked at it
16 a second ago.

17 Q In the second paragraph, there's a discussion
18 that Mr. Gerth, G-e-r-t-h, of The New York Times informed
19 Mr. DeVore of Treasury that he, Mr. Gerth, is aware that a
20 number of criminal referrals involving Jim McDougal and
21 Madison Guaranty had been forwarded from RTC's Kansas City
22 field office to its Washington office.

1 Is that the kind of information that would have
2 concerned you had you read it?

3 A No.

4 Q Is there a reason why it didn't concern you?

5 A It didn't really have anything to do with me. It
6 didn't have anything to do with me.

7 Q When you say it didn't have anything to do with
8 you, you mean that the reference to Jim McDougal didn't
9 mean anything to you?

10 A No. I mean it didn't have anything to do with
11 me. There was nothing I would do about it.

12 Q In that same paragraph, Gerth states that to his
13 knowledge, President Clinton was not a target of the
14 referrals, although Governor Jim Guy Tucker might be. If
15 you read that, would that concern you?

16 A No.

17 Q In the next paragraph, it says one of the
18 referrals, however, involved four cashier's checks, each
19 for \$3000, two made payable to the Clinton for Governor
20 Campaign, and two to Bill Clinton. And it goes on to talk
21 about the checks. If you read that, would that concern
22 you?

1 A No.

2 Q Do you recall having any meeting with Mr. Lindsey
3 as a result of receiving this memo?

4 A No, I don't.

5 Q Do you recall any meeting taking place at the
6 White House as a result of this memo being received?

7 A I don't.

8 Q Are you aware if there is such a thing as a
9 Whitewater response team in the White House?

10 A Oh, yes.

11 Q When was the first time you heard the term
12 "Whitewater response team"?

13 A Oh, I don't know.

14 Q Was it in 1993 or 1994?

15 A Oh, I don't -- 1993 maybe. I don't know.

16 Q When in 1993?

17 A I don't know exactly when.

18 Q Who did you understand to be on the Whitewater
19 response team?

20 A Harold Ickes, people from communications, but it
21 was floaters in and out. I mean, it wasn't designated
22 other than Harold.

45

1 Q Harold was designated. Was Nussbaum on the
2 Whitewater --

3 A Oh, I would think so, yes.

4 Q Was Lindsey?

5 A I would think so, but -- that would make sense to
6 me, but Bruce was also always traveling with the president,
7 too, so that would make it a little hard. There was a lot
8 of floating back and forth of people.

9 Q Was Mr. Kennedy on the Whitewater response team?

10 A No, I never saw him.

11 Q Was Mr. Eggleston on the Whitewater response
12 team?

13 A Either he or Bernie, I think.

14 Q Was Mr. Sloan on the Whitewater response team?

15 A I never saw him at a meeting.

16 Q Was Mr. Klein on the Whitewater response team?

17 A Could have been.

18 Q Now, you say you never saw him at a meeting.

19 Were there formal meetings that took place of the
20 Whitewater response team?

21 A Yes, there were meetings.

22 Q When did those meetings first begin to occur?

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1 A I don't recall when they started.

2 Q Did they start in 1993 or 1994?

3 A I don't remember when they started. I know they
4 just started, but you also have to -- let me see if I can
5 explain. The culture of the White House is you can have a
6 response team for anything that seems to be in the news, so
7 the closest I can get is to parallel the time of when a lot
8 of Whitewater was on the front of the page for there ever
9 to be any kind of formal gathering around it.

10 Q When you refer to a formal gathering, where did
11 these Whitewater response team meetings take place?

12 A In the ward room.

13 Q The ward room?

14 A That's what they call it.

15 Q Where is that located?

16 A It's on the ground floor of the White House.

17 Q Where is that in relationship to where your
18 offices are?

19 A Well, I have two offices.

20 Q There's no simple answer to any question.

21 A I have two offices. I have one in the Old

22 Executive Office Building, and then I have one in the west

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1 wing of the White House, which is next to Mrs. Clinton's
 2 office which, you know, I divide my time evenly. But most
 3 of my staff is in the Old Executive Office Building, so I
 4 spend most of my time there. If Mrs. Clinton is in the
 5 office, I might tend to perch in my own office in the west
 6 wing.

7 Q And that's on the second floor of the White
 8 House?

9 A Yes, it is.

10 Q You indicated that you saw these gatherings, on
 11 occasion, in the ward room. How did you have occasion to
 12 see the gatherings?

13 A Because I went to the meetings.

14 Q You attended the meetings?

15 A Sometimes.

16 Q How often did the Whitewater response team meet?

17 A At least once a day, and it really depended on
 18 the news, on what was breaking news, what was in the
 19 newspapers, what was on television. So they might meet on
 20 one day and not meet on the other day.

21 Q You indicated it began to meet one time a day.
 22 Did it sometimes meet more than once a day?

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1 A If there was some breaking news.

2 Q How long did the meetings last?

3 A Oh, I don't know, maybe 45 minutes, maybe less
 4 than that. It would depend on what there was to talk
 5 about. Sometimes there was nothing to talk about.

6 Q For how long a time did the meetings occur? In
 7 other words, they began on a certain day, and in terms of
 8 calendar length, not time of each meeting.

9 A Well, I don't even -- well, now I guess I have
 10 more of a handle on the timing of this. I think there was
 11 a point -- and maybe it was after the special counsel, and
 12 I'm not exactly sure, but it seems to me that there was no
 13 need to do anything to respond to any media request, or the
 14 decision was made if a special counsel is working on it, we
 15 don't need to meet anymore. Why would we meet?

16 Q Who made that decision?

17 A Oh, I don't know. Very loose.

18 Q Who put together the Whitewater response team?

19 A I don't know, Harold, Mack.

20 Q Harold is Harold Ickes?

21 A I'm sorry, Harold Ickes, Mack McLarty and I did
 22 ask that Lisa Caputo go sometimes.

1 Q So when Lisa Caputo went, she went at your
2 request?

3 A Yes, or I would go, yes.

4 Q You indicated that most of the people -- strike
5 that.

6 You indicated earlier there were communications
7 people there also. Who were the communications people who
8 were there?

9 A Well, there are thousands of communications
10 people, but some days there was Gearan, Mark. I wasn't
11 really paying that much attention but there was always
12 someone -- or two or three people from communications.

13 Q Did Mr. Stephanopoulos attend?

14 A George is not really in regular attendance of
15 anything. I can imagine a time that George would pop his
16 head in. Did he sit through a whole meeting? I don't
17 know.

18 Q Was there a time of day when these meetings
19 occurred?

20 A I want to say 5:00 or 6:00, and then I want to
21 say 9:00 or 10:00, but I'm getting my response teams mixed
22 up. There's a health care response team. There's a -- I

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1 want to say 5:00 -- I don't know what time. It's either
2 first thing in the morning or last thing in the evening.

3 Q So you think it was either between 9:00 and 10:00
4 in the morning or between 5:00 and 6:00 at night?

5 A Yes, but I suspect that wasn't held to too
6 rigidly, one, because people had a lot of other things that
7 they were doing, and people had lots of schedules, you
8 know, that they were trying to adhere to. So I think it
9 would be trying to get up a group. And sometimes it would
10 work at whatever the given time was. But it seems to me
11 the meetings kept changing, but that's pretty standard.

12 Q And would it be accurate to say that you believed
13 these began sometime around October 20th, '93, when you
14 began getting documents such as this, exhibit X000534?

15 A No. What I said was that I parallel the start of
16 the meetings to news that was -- to the newspapers or
17 whatever. And I can't quite, in my own mind, pinpoint the
18 exact time. But if there were a number of stories
19 happening in October and November and December, then that
20 makes sense because most of the time any time we put a
21 response team on anything, it is in -- the dynamic that
22 spurs it is what's happening in the media.

1 Q What did you understand the charter of the
2 Whitewater response team to be?

3 A Mostly to figure out the answers to the media
4 questions that were coming, and they were coming by the
5 boatload to Mark's office, to Lisa's attention. They were
6 trying to figure out what the answers to the questions
7 were. That was the absolute focus of it.

8 Then, since Whitewater was always in the news,
9 there was always a decision to make about -- since all the
10 press were asking us for -- someone from Face the Nation or
11 Meet the Press or Brinkley or Crossfire or any of the
12 shows, there was always a determination as to who should go
13 on the show. So I mean, the decisions were to try and
14 handle what was going on day to day so we could do the rest
15 of our work.

16 Q Did someone receive the responsibility at one of
17 these Whitewater response team meetings to figure out what
18 the facts were?

19 A Oh, that's interesting. I'm sure that -- yes,
20 I'm sure that someone did that, but I don't know if it was
21 done in any kind of unified way or if it was being
22 piecemealed together as questions would come in. I do

1 remember people saying well, we need to find the facts for
2 that, or we need to find out about this, we need to know
3 how this happened. But I don't remember it as a specific
4 assignment for anyone necessarily.

5 Q Was there an agenda for the Whitewater response
6 team meetings?

7 A I don't know if there was an agenda as much as a
8 checklist. It was someone's responsibility to call back
9 Meet the Press or someone's responsibility to try and find
10 an answer for a press question or someone's responsibility
11 to talk to the press about something, then was this done,
12 was this done, was this done?

13 Q What was Mr. Ickes's responsibilities for the
14 Whitewater response team?

15 A I would think just to keep the meeting moving
16 along and to ask people if they had done their task.

17 Q What was Mr. Nussbaum's responsibilities for the
18 Whitewater response team?

19 A I don't know -- I don't know specifically what
20 they were outside of -- I know that a lot of media requests
21 would be funneled to him or they needed to have an answer.

22 Q What were Mr. Lindsey's responsibilities for the

1 Whitewater response team?

2 A I don't know if Bruce necessarily had
3 responsibilities, although he did a lot of the talking to
4 the media at one point. I mean, he seemed to be the person
5 that all the media would call because he was from Arkansas
6 and seemed to know about it, but he talked a lot to the
7 media about it.

8 Q Was there a decision made at some time for the
9 Whitewater response team that there should be a single
10 spokesman who had information and should put the
11 information out rather than have whoever got the phone call
12 handle it?

13 A We attempted that, yes.

14 Q And who was to be the -- to use the term "point
15 person" to respond? Who was that person going to be?

16 A It could be Bruce. Sometimes it could be
17 George. I mean, it never really settled because I think
18 that there seemed to be so many different issues about
19 this. I mean, the press was coming from -- I don't know
20 all the angles they were coming from, but there seemed to
21 be so many different issues about it, and so having a
22 specific spokesperson was always difficult.

1 Sometimes people seemed to be asking what
2 happened 17 years ago. Nobody -- George -- none of the
3 people that were sitting at that table except Bruce had a
4 clue about it who could talk or even know who any of these
5 players were. So then Bruce would talk.

6 But then on the other hand, you would get
7 questions about Whitewater and a discussion about whether
8 or not what was happening in Whitewater, what would be the
9 impact on, say, health care. I mean, so this is a totally
10 different question. Or you would have another question
11 about Whitewater, and it would be, I think, totally
12 cultural: Was Hillary in charge of the family finances and
13 should more women be in charge of the family finances?
14 That could come from Glamour or Working Woman, so Lisa
15 would try and bat that one around.

16 So you had this kind of moving target where
17 talking about a single spokesperson was a virtual
18 impossibility given the angles and the number of questions
19 that were coming in.

20 Q What was Mr. Eggleston's role on the Whitewater
21 response team?

22 A I don't know, but it was legal. It was something

1 that had to do with legal issues.

2 Q What was Mr. Kennedy's role on the Whitewater
3 response team?

4 A I don't remember Bill Kennedy as a part of it. I
5 don't ever remember seeing him, but I just don't recall it.

6 Q What was Mr. Klein's responsibility on the
7 Whitewater response team?

8 A I don't know, but I put it in my head as legal,
9 something legal.

10 Q And what was Mr. Gearan's responsibility on the
11 Whitewater response team?

12 A Oh, it was around communications issues.

13 Q And what was Ms. Caputo's responsibilities on the
14 Whitewater response team?

15 A Communications.

16 Q And what was Mr. Stephanopoulos's
17 responsibilities on the Whitewater response team?

18 A Whenever he was there, communications.

19 Q And what was Ms. Williams's responsibilities on
20 the Whitewater response team?

21 A Communications.

22 Q How often did you attend the Whitewater response

1 team meetings?

2 A Well, if I opened up the paper and there were a
3 trillion stories about Whitewater and any of them had
4 Hillary's name in them, I would show up. So for a while, I
5 was pretty consistent. If it looked like a pretty good day
6 and there weren't a lot of stories, and I had other things
7 to do, because we were in the middle of health care, and
8 she was keeping the same kind of schedule that she kept,
9 then I would say Lisa, go or, you know, it would depend.

10 But for a period, like I said, I can't remember
11 the dates, but I'm sure that my participation, if
12 experience in any other issues is an example, generally
13 parallels what's going on in the media.

14 Q Do you remember this Whitewater response team as
15 lasting over several months?

16 A God, well, one week seemed like a month. I don't
17 know. It could have. I mean, I really -- you're talking
18 to someone who works probably seven days a week. I
19 couldn't tell you what day of the week it was today.

20 Q Do you recall the subject of the criminal
21 referrals being made on Madison coming up as a subject that
22 was being discussed by the Whitewater response team?

1 A No, I don't.

2 Q Have you ever heard about the criminal referrals
3 before today?

4 A Yes.

5 Q When did you first hear about the criminal
6 referrals on Madison?

7 A I'm pretty sure the Sue Schmidt article was the
8 first I ever heard of it, but it didn't grab me.

9 Q Do you recall the subject of the RTC coming up at
10 the Whitewater response teams?

11 A No.

12 Q Do you recall the subject of Mr. Altman's recusal
13 from the RTC -- I'm sorry, recusal from the Madison case at
14 the RTC coming up at the Whitewater response meetings?

15 A No. I don't think -- I don't remember that
16 coming up as a subject of the Whitewater meetings.

17 Q If I were to inform you that it was in the
18 newspapers and that was a subject of newspaper comment,
19 would that assist you in remembering whether it was a
20 subject that came up at the Whitewater response team
21 meetings?

22 A Well, I think what is confusing me is the term

1 "Whitewater response team," because my own recollection of
2 any kind of a formal response team ended whenever there was
3 a special counsel.

4 Q Special counsel was appointed January 20th, if
5 that's of any use to you in knowing.

6 A Yes, that helps. January 20th?

7 Q January 20th, a special counsel was appointed. I
8 don't think he sent out subpoenas or did anything until
9 March, in terms of actually getting witnesses.

10 A Right, right. But just in my head, at the
11 point -- and it seems to me the couple of weeks leading up
12 to that, when there was all this discussion about whether
13 or not there would be a special counsel or not a special
14 counsel and the newspapers were editorializing, special
15 counsel or whatever, that there weren't -- that the
16 Whitewater meetings had kind of died down because now the
17 discussion -- or it seemed like the debate was only about
18 whether or not there was going to be a special counsel or
19 not be a special counsel.

20 So the Whitewater response team kind of formally,
21 I don't think -- I don't think of it as still going on past
22 the special counsel debate and the appointment of a special

1 counsel.

2 Q Did a new team come together to deal with the
3 Altman recusal issue, if you know?

4 A No.

5 Q Did a rump group of the Whitewater response team
6 stay on to deal with the Altman recusal issue?

7 A I don't think that the Altman recusal issue was
8 an issue.

9 Q It has been -- strike that.

10 Were you with the Clintons over New Year's, this
11 past New Year's at Renaissance Weekend?

12 A Oh, no.

13 Q It has been reported that during -- you may have
14 read the newspapers recently that apparently Comptroller of
15 the Currency Ludwig had a conversation with the president
16 of the United States about the subject of Whitewater. Were
17 you aware of that at or about the time it happened?

18 A No, not at all.

19 Q Were you consulted about it?

20 A No, not at all.

21 Q Have you read the press reportage of it now?

22 A Yes, I have.

1 Q Do you recall talking to Mr. Ludwig about the
2 subject of Whitewater in January of 1994?

3 A I remember listening to Mr. Ludwig.

4 Q And you distinguish between talking to and
5 listening to Mr. Ludwig. Would you just describe what took
6 place.

7 A I got a message that a Mr. Ludwig had called, who
8 was the comptroller of the currency, and I called back and
9 said I'm returning your call.

10 Q What conversation took place at the time? What
11 did he say to you and what did you say to him?

12 A I think -- well, I think he told me that he knew
13 the Clintons, and I said okay. Then he proceeded to give
14 me advice. I don't remember what he said, but something
15 about now that I have read his -- I never thought twice
16 about this conversation, but yesterday, I read what he said
17 the conversation was about, so it could be that. I don't
18 recall the conversation, but that seems probably what he
19 was talking about.

20 Q When you say yesterday you read something, what
21 were you given yesterday to read?

22 A Yesterday I read something that had come from

1 Mr. Ludwig.

2 Q And who gave you that document?

3 A I don't know if anyone gave me the document.

4 Q Strike that question. How did it occur that
5 yesterday you read a document coming from Mr. Ludwig?

6 A I believe that my attorney --

7 MR. DENNIS: I provided it to you.

8 THE WITNESS: My attorney provided it to me.

9 BY MR. CODINHA:

10 Q Was that in preparation for this deposition?

11 A Well, there wasn't much preparation to it.

12 Actually, what was said was you may be in the newspapers
13 tomorrow. This is what this is about.

14 Q Other than reading the -- I'm now referring to
15 T3796, T3797, T3798, and just showing you the cover page,
16 is that the document that you're referring to?

17 A Yes, it is.

18 Q Before seeing that document yesterday, had you
19 ever seen that document before?

20 A No, I had not.

21 Q Did that document serve to refresh your memory
22 that you had had a conversation with Mr. Ludwig?

1 A It served to refresh my memory that there was
2 such a person as Eugene Ludwig.

3 Q Did it refresh your memory that you had had a
4 conversation with him?

5 A Yes. I remember the pink slip. I remember
6 calling him back.

7 Q Was this the only conversation you had had with
8 Mr. Ludwig that you can recall?

9 A Yes, that I can recall, yes.

10 Q Did it seem to you unusual that you were getting
11 a call from Mr. Ludwig?

12 A Slightly, but there are very many people who call
13 me out of the blue who have -- who offer advice for
14 everything from how Hillary should cross her legs to what
15 we should do about health care. So receiving advice on any
16 matter from someone I did not know was not unusual to me.

17 Q The paragraph on T3797 is the third paragraph on
18 page 2, and it reads "The other occasion occurred on
19 January 19, 1994 when I contacted Margaret Williams of the
20 White House staff and offered my own unsolicited view that
21 the White House should promptly provide full disclosure of
22 materials associated with Whitewater if that had not

1 already been done. I also said they should devote one
 2 full-time lawyer and other full-time staff to the matter
 3 because of the great public visibility it was getting.
 4 Otherwise we did not exchange any information." Does that
 5 comport with your memory of the discussion?

6 A Well, I don't remember the discussion, but this
 7 could be it.

8 Q Do you recall saying anything back to Mr. Ludwig?

9 A Oh, I'm sure I was polite.

10 Q I'm sure you were polite, too.

11 A I'm sure I said thank you very much and I'm
 12 sure --

13 Q What did you do with the information you received
 14 from Mr. Ludwig, if anything?

15 A If this is what he talked to me about, I have to
 16 tell you, it wasn't a news flash. I mean, these were
 17 issues that were in the newspaper every day. Do you have
 18 full public disclosure or not full public disclosure? And
 19 an issue having to do with having full-time staff to devote
 20 to the matter, certainly just as a management issue, and
 21 the fact that we had so much going on, this was being
 22 discussed. So there was nothing extraordinary about what

1 he said, so I forgot it.

2 Q Did he mention anything to you about his
 3 conversation with the president over Renaissance Weekend in
 4 that call?

5 A I don't recall that at all.

6 Q Did you keep any written memoranda of what he had
 7 said to you?

8 A No. I mean, I'm sorry. No. I wasn't being
 9 flip.

10 Q What was the next contact or event which occurred
 11 which related to Madison or Whitewater that you can now
 12 recall?

13 A The February 2nd Altman meeting.

14 Q What was the occasion of the February 2nd Altman
 15 meeting?

16 A I'm sorry, I don't understand. The occasion?

17 Q How did it come about that there was a February
 18 2nd Altman meeting?

19 A Well, I got the information because someone
 20 called. I assume Mack McLarty's office called my special
 21 assistant and she put it on my calendar and I went to it.

22 Q Was there any pre-meeting meeting that took

1 place?

2 A Not that I know about.

3 Q Did you know why you were going to the Altman
4 meeting?

5 A Well, I didn't consider it to be the Altman
6 meeting. I didn't know Roger was going to be there. The
7 call came from Mack McLarty's office, and so I assumed that
8 the chief of staff was having a meeting. And then on my
9 own calendar, I have since seen by looking at it, it says
10 in Evelyn's writing, "statute of limits," I think, "statute
11 of limitations."

12 Q Do you recall meeting with Ms. Hanson that day?

13 A She was at the meeting.

14 Q Do you recall meeting with Ms. Hanson prior to
15 the meeting with Mr. Altman?

16 A Not with respect to this matter.

17 Q Was there another matter you met with her about?

18 A Yes. The first time I ever met her was about
19 Treasury involvement in the health care activities.

20 Q I'm sorry, I misspoke. Clearly you
21 misunderstood. I meant on that day.

22 A On that day?

1 Q Did you meet with her on that day?

2 A Oh, no, no, I did not.

3 Q We have two documents that I'd like you to look
4 at. One is X000531, which appears to be a White House
5 document relating to Jean Hanson and her arrival at the
6 White House. Do you recognize that document?

7 A 2/2 -- no, I don't -- "west wing, Williams"? No,
8 I don't remember meeting with her that day. I don't
9 remember what it would be about.

10 Q We have a second document, X000470, which again
11 tells us it's a White House-produced document, and there's
12 a side note --

13 A Is this one?

14 Q Yes, these are both White House-produced
15 documents.

16 A I guess I don't understand. These are White
17 House-produced documents by whom?

18 Q The White House responded to a document request
19 of the Senate to give us all documents which related to
20 contacts between Treasury and the White House. This was a
21 document that they gave us, and it appears to indicate two
22 times -- if I could see the document -- it's Jean Hanson's

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1 appointments for February 1994 and it appears that Jean
2 Hanson was there twice in the west wing, once to see
3 McLarty and once to see Williams, and all I'm asking you
4 is, does that refresh your memory.

5 A It doesn't. Here's what I need to know from
6 you. When is -- what date was the Altman meeting?

7 Q February 2nd.

8 A I think -- I don't remember seeing Jean Hanson or
9 why she would come and see me on that day. There would be
10 no reason.

11 Q I'll show you another document, which may help
12 refresh your memory, and that's X000470, which is again, a
13 White House document, which has on the left-hand column
14 information that these are the times that Jean Hanson was
15 waived into the White House, and it appears that there's a
16 'WMS,' I think at 1:20 p.m. and a Mack, 'MC,' at
17 5:00 p.m.

18 A What's the 3/8?

19 Q That's the date that they were responding to the
20 Office of Independent Counsel's subpoena, so that's when
21 they ran that information.

22 A Well, this strikes me as a mistake. I don't know

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1 what Jean would see me about that day unless it was a
2 bigger health care meeting. Do you have my calendar there
3 at all for the 2nd?

4 Q I was just going to look. We get these and
5 they're redacted in such a way that it's almost impossible
6 for us to tell whose they are.

7 A We need to check this out because this strikes me
8 as a mistake unless there was a huge health care meeting,
9 and I'm generally the contact, but I can't imagine that
10 Jean would have to come to a huge health care meeting. So
11 I think this would -- I mean, at 1:20 that would be a
12 mistake, I think.

13 Now, there may be some confusion on the date
14 because there is a subsequent date that Jean was probably
15 waived into my office probably close to 1:20, could have
16 been, but not on the 2nd, if this is the same day as the
17 Altman meeting. And after that -- and I don't know what
18 day it is, maybe the 3rd or the 4th -- I don't know what
19 day it is exactly -- but this doesn't jive at all with my
20 memory. But 1:20 strikes me as a time when she would have
21 been waived into my west wing office on another day.

22 Are these catalogs that are --

1 (Recess.)

2 BY MR. CODINHA:

3 Q With respect to the February 2nd meeting, do you
4 believe that's the next contact you had with respect to
5 Whitewater or Madison?

6 A I believe so.

7 Q And you've told us the circumstances of this
8 meeting are that you received notice from Mr. McLarty to
9 appear at a meeting?

10 A Uh-huh.

11 Q And did you know what the subject of the meeting
12 was going to be?

13 A Well, either Evelyn told me -- sometimes I have
14 my schedule with me and I can look to see what she's
15 written or I don't know, but you know, if there are seven
16 and eight meetings on a day going on in Mack's office, it
17 did not strike me as unusual.

18 Q Who attended that meeting from the White House?

19 A From the White House, Harold, Bernie, Neil
20 Eggleston, I believe, although I'm not sure, but I believe
21 Neil was there. I was there.

22 Q Anyone else from the White House? We have

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1 Mr. Ickes, Mr. Nussbaum, Mr. Eggleston and Ms. Williams.

2 A That's all I remember.

3 Q And who from the Treasury Department was there?

4 A Roger Altman and Jean Hanson.

5 Q About what time did this meeting occur?

6 A It was late in the day. I think it was 6:00,
7 5:30.

8 Q And it took place in Mr. McLarty's office?

9 A Yes.

10 Q Did Mr. McLarty attend?

11 A No, he did not.

12 Q Was he there for any portion of the meeting?

13 A Well, I came in late. The portion at which I
14 came in, he was not there.

15 Q How long was the meeting -- strike that.

16 How long did the meeting last from the time you
17 arrived?

18 A 30, 40 minutes, 45 minutes.

19 Q When you arrived, what was occurring?

20 A Well, Roger was speaking -- this is my memory of
21 it, but I only kind of remember three things from this
22 meeting, so I don't know if Roger was speaking when I

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1 arrived but my consciousness of the meeting started at some
2 point -- no, Roger must have been speaking because they
3 were in the middle of something.

4 Q And what was he speaking about?

5 A He was talking about how -- how it would work,
6 how the process -- let me start from the beginning. The
7 discussion was about what the process would be for asking
8 the Clintons to waive their rights for the statute of
9 limitations. That's how I understood it.

10 And when I came in, he was giving what appeared
11 to be the first scenario, which was he would receive a
12 recommendation from the RTC staff about, I guess, extending
13 the statute of limitations, and then he would go along with
14 that recommendation, although I don't believe these were
15 his exact words. But then he had given the second
16 scenario, which essentially everything stayed the same.
17 The RTC staff that was working on whatever this was would
18 make a recommendation, but not to him, but to some, I
19 guess, career person if he recused himself.

20 Q Was there further discussion -- did he give any
21 other options?

22 A Those are the only options that I remember as

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1 options.

2 Q And so when you walked into the meeting, he was
3 talking about the procedure that the Clintons would have to
4 follow to waive their rights --

5 A No. I'm less precise about when I walked in the
6 meeting, Roger was saying this. I have to say at the point
7 that I was conscious of what was going on at the meeting
8 because if you go to a lot of meetings, you're either
9 fading in or fading out, and it was the end of the day.
10 But I do remember Roger -- it seems to me he was speaking.
11 He was in an explanatory mode.

12 And it was not the process for the Clintons
13 waiving their rights inasmuch as, it seemed to me, to be
14 the process for how the RTC would make a recommendation for
15 the waiving of rights. Then I guess they had to decide
16 whether or not they would waive their rights. But it
17 seemed to me the discussion was that the RTC would make a
18 recommendation on whether or not to ask, I guess, for the
19 extension of the statute and the Clintons in turn, would
20 waive their rights to the statute so that they could keep
21 whatever they were doing, investigating or whatever.

22 Q Is that what Mr. Altman said?

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1 A That's the gist of what I got from what he said.

2 Q And he used the words "the Clintons" were going
3 to have to waive their rights or not waive their rights for
4 extending the statute of limitations?

5 A I don't remember him using "the Clintons,"
6 although he could have. It doesn't strike me as
7 inconsistent, given the conversation, that he would have
8 used those words. This may be my explanation of what he
9 said, but I have to tell you, it didn't have such huge
10 significance that I was hanging on every word, but that's
11 what I understood. And it was also the thing that clicked
12 with me since with statute of limitations, I had heard
13 something about it or read something about it, so that's
14 what I understood.

15 Q And you believed it was going to be important to
16 your boss, Mrs. Clinton?

17 A Well, I believed sooner or later I would get a
18 press call about it down the road. I didn't know when it
19 would happen, but I believe that it would be sooner or
20 later, and I should put it on my radar screen.

21 Q Did you believe Mrs. Clinton may ask you about
22 that subject?

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1 A No, not necessarily. I mean, she hadn't.

2 Q When Mr. Altman was discussing the possible
3 scenarios, you said one scenario that was discussed was
4 that the RTC could report to him and recommend to extend
5 the statute of limitations, and he could go along with
6 that?

7 A Well, no, not that he could go along with it. He
8 said he would go along with whatever the RTC said. What he
9 said was whatever recommendation they make to me, I will
10 accept it.

11 Q And if the other possibility was that -- I think
12 you said that everything would stay the same except that
13 the recommendation would go to someone else?

14 A And then they would either accept it or reject
15 it.

16 Q And that would be a career person?

17 A Yes, I believe that's what he said.

18 Q And he would recuse himself?

19 A He said if he recused himself.

20 Q Did anyone ask -- strike that.

21 What you're indicating is that no matter what the
22 RTC recommended, he was going to go along with it?

1 A Right.

2 Q Why would they even bring it to him at all if it
3 was merely a rubber stamp?

4 A Well, I don't know why they would do it at all if
5 it was going to be a rubber stamp.

6 Q But isn't that what it sounds like to you, if he
7 says no matter what my subordinates recommend to me, I'm
8 not going to make any independent judgment, I'm just going
9 to rubber stamp?

10 A That was my sense.

11 Q And you understood the RTC to be an independent
12 agency of the White House, didn't you?

13 A I didn't even know what RTC stood for until --
14 and you know, I really honestly don't know when I learned
15 it, if I learned it in preparation for this, if I learned
16 it because people started talking about it more. I don't
17 know. I did not know all of the connections they had. I
18 since have learned that it is an independent agency and I
19 have since learned that -- I don't know if I've since
20 learned or I knew this or found it out, I may have known
21 that Roger was -- what is it, acting something --

22 Q He was interim CEO.

1 A Something, something like that. But that is
2 essentially what I understood him to say.

3 Q Did that concern you that he said that?

4 A Well, it did not concern me in the way that you
5 suggest, but I did kind of go on when he said that. I said
6 well, if you're going to accept whatever recommendation
7 they give you, why would you recuse, and then I kind of
8 launched into this thing about everybody in the world was
9 recusing and you know, you're a person of integrity,
10 Roger. I mean, why is it that you would have to recuse,
11 plus you're going to take the recommendation of staff
12 anyway, so why bother? That is what I said.

13 Q What did you base that on?

14 A Base what on?

15 Q That statement that you indicated, you just
16 made.

17 A Well, I based it on, first of all, my sense of
18 what he had said was whatever the recommendation of the
19 RTC, he would take the recommendation, whichever way it
20 was, if they suggested that the Clintons waive their rights
21 or not waive their rights. So if they were going to take
22 it no matter what the RTC staff recommended, I didn't

1 understand why there was even a scenario of recusal. It
2 didn't make any sense to me.

3 It just struck me, although I probably have no
4 basis except kind of my own head for this, that everybody
5 and their mother seemed to be recusing around this time. I
6 thought you put people in government to do their jobs and
7 they ought to be trusted to do their jobs and here you have
8 this guy, no matter what -- I didn't understand this
9 recusal business. So you know, that is what I said.

10 Q Did anyone at that point say well, there might be
11 the appearance of impropriety, not actual impropriety, but
12 him staying on, there might be the appearance of
13 impropriety because he was a friend of the Clintons?

14 A To be absolutely honest, after I said that, I
15 didn't have much interest in anything else that was being
16 said. To me, I had learned two things. I learned about
17 what the process was, if it ever came up. I had spoken my
18 piece on the whole matter of recusal, which I felt I wanted
19 to speak.

20 And then the only other thing that I kind of
21 remember after saying that and I remember Bernie saying
22 well, whatever, it's Roger's decision, and I thought it was

1 a little dismissive of me since I had just made this
2 statement. And that's kind of what I remember from that
3 meeting.

4 Q You said the meeting lasted around 30 to 40
5 minutes after you were there. After Roger finished
6 speaking, who spoke after that?

7 A Right after Roger finished speaking on the
8 scenarios, I believe I spoke right after that, because what
9 he said triggered kind of my response. Then there was a
10 lot of talk afterwards, which I paid not very much
11 attention to, but it didn't seem to be around the recusal
12 issue. I mean, Bernie -- and I believe it was Bernie
13 said -- Bernie has a way of being dismissive. Well, that's
14 Roger's decision anyway. That's what I remember. But
15 there was further talk, but I was tuned out past the rest
16 of this conversation.

17 Q Did Roger Altman indicate in his original
18 presentation that he intended to recuse himself?

19 A I don't remember that he did.

20 Q Was that the import of what he said, that you
21 thought he had come there to say that he intended to recuse
22 himself?

1 A I don't know that, coming in late, if that was
2 the intended import of what he said, or at what point I
3 entered into it; but that isn't necessarily what I got. He
4 could have, but that is not what I took away.

5 Q You indicated that -- strike that.

6 Were there any other distinct pieces of the
7 conversation you can now recall today, who said what to
8 whom?

9 A No. Those are kind of the three pieces I
10 remember -- well, they involved me. It's what I was
11 listening to.

12 Q Do you recall whether Mr. Nussbaum was angry at
13 this meeting?

14 A No, no, I don't believe he was angry.

15 Q Did he appear to color when he was talking to
16 Mr. Altman?

17 A No, I don't remember that.

18 Q Did you --

19 A You mean turn red?

20 Q Yes.

21 A No.

22 Q Did you hear him raise his voice to Mr. Altman

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1 when he was talking to him?

2 A No, I don't recall that, although, you know, I
3 don't think of Bernie's voice as having different levels
4 either. I mean --

5 Q Do you recall Mr. Altman receiving pressure at
6 that time to stay on?

7 A No, I don't.

8 MR. CODINHA: For the record, Mr. Kravitz has
9 entered the room, from my staff and, Joe, I always get your
10 last name --

11 MR. BRAUNREUTHER: Braunreuther.

12 MR. CODINHA: From the minority staff.

13 (Discussion off the record.)

14 MR. CODINHA: I'm going to ask that the last
15 question and answer be read back.

16 (The reporter read the record as requested.)

17 BY MR. CODINHA:

18 Q Did you hear anything that was said to Mr. Altman
19 at that meeting which could be interpreted as pressure for
20 Mr. Altman to stay on?

21 A No, I did not.

22 Q This committee has developed evidence that it has

1 been reported that Mr. Altman was receiving intense
2 pressure from the White House to stay on and not recuse
3 himself. Do you know any reason why that would be
4 reported?

5 A Why it would be reported?

6 Q Yes.

7 A To this committee?

8 Q Yes.

9 A No, I don't know of any reason why it would be
10 reported.

11 Q So there was nothing you saw at that meeting
12 which led you to feel that Mr. Altman was being pressured
13 to stay on?

14 A No.

15 Q What happened at the end of the meeting?

16 A I don't know. People got up. I don't know.
17 Maybe people milled around. I don't know.

18 Q What, if anything, did you understand Mr. Altman
19 was to do as a result of the meeting?

20 A I didn't think that there was an issue on that.

21 Q Do you know if Mr. Altman was going to reconsider
22 the issue of recusing himself or not and report back to the

1 White House on what he decided?

2 A No, I don't think there was a task. I mean, I
3 didn't believe that anyone had made a decision about it,
4 recusing, one way or the other so, I always thought that he
5 was considering.

6 Q Did you take notes at that meeting?

7 A No. I tend to take very few notes.

8 Q With respect to the procedural aspects of whether
9 the Clintons were going to have to waive their rights, did
10 you take any notes on that?

11 A No, because for me, it was background, background
12 noise, so if a media question could come up, I could put it
13 in some kind of context. Whether or not they waived their
14 rights ultimately would be a legal decision that would have
15 to do with them and their lawyers.

16 Q What did you understand your purpose at the
17 meeting was?

18 A Well, my purpose was to -- once I got there, I
19 had my own purpose, which was to listen and file away and
20 find out a little bit more about this. That's what I
21 thought my purpose was once I got there.

22 Q Did you consider what you were hearing to be a

1 lot of lawyer talk, the procedural aspects, or did you
2 understand what you were being told? And I don't mean to
3 denigrate your understanding. Did it sound very procedural
4 and complex, or did it sound like what ordinary people talk
5 about when they're discussing matters that are in front of
6 them?

7 A Boy, what ordinary people -- you heard what I
8 got, the gist of what I got out of the conversation which
9 was mostly procedural, as I understood it. It was about
10 what would happen. I don't know, a characterization of
11 what ordinary people would talk about. I don't think
12 ordinary people ever talk about the kinds of things we talk
13 about. They're always complex issues. Ordinary people
14 don't talk about Bosnia or Serbia. No, I didn't find it
15 unusual.

16 Q Did you understand there was an issue that was
17 coming before Congress relative to the statute of
18 limitations and when it was going to run?

19 A Yes. I had an idea about that. I remember
20 seeing Senator D'Amato with a calendar on C-Span or CNN,
21 talking about the amount of --

22 Q That was the countdown?

1 A Yes, it was some countdown calendar.

2 Q It related to the Clintons?

3 A To the statute of limitations and to the
4 Clintons.

5 Q The question was going to be whether the statute
6 of limitations was going to be extended?

7 A Yes.

8 Q Or somehow the statute would run and the Clintons
9 wouldn't have any civil liability. Is that what you
10 understood?

11 A Basically, yes.

12 Q Was this a subject of discussion at the White
13 House -- I'm sorry, the White House Whitewater meetings?

14 A Well, if this is -- I don't know when this came
15 up, the countdown calendar. Was that in January or
16 February?

17 Q I would like to help you, but I don't know the
18 answer myself.

19 A I'm sorry. Because my response about the
20 Whitewater response team, really for me, has to do with
21 timing, when I saw -- when I thought of a Whitewater
22 response team as something formal and meeting, so I don't

1 know if that -- it could have been the subject of
2 conversation, but I don't know if it was Whitewater
3 response team conversation. I mean, because it was taking
4 place in Congress and it could have been the subject of a
5 senior staff meeting, you know, with the report from the
6 legislative people. So I'm not really clear about what
7 context I heard it or it was discussed in.

8 Q You've already explained to us that the
9 Whitewater response team dealt -- at least one of the
10 things it dealt with was media issues. You just explained
11 to us that Senator D'Amato had gone on C-Span and had a
12 countdown which related to Whitewater or Madison and/or the
13 Clintons. That's the kind of subject matter, isn't it,
14 that the Whitewater response team dealt with?

15 A Right, I would think so.

16 Q And that the White House believed that it needed
17 to have some kind of answers to respond to it?

18 A Well, I guess in this case, there would be some
19 kind of answers to it. But I really want to focus -- I
20 mean, a lot of the times the kind of answers we needed to
21 have to things really had to do with either a Congressional
22 challenge, so if you were going to -- I don't know if

1 Senator D'Amato sent a letter asking the Clintons to waive
2 their rights. I've seen something like that, it strikes
3 me, so either there was going to be either some kind of
4 response that was happening in Congress, or something that
5 was happening in the media, where we were going to have to
6 figure out what to say or find a response to it.

7 But it seems to me that that would be, for the
8 most part, a separate track than what it was the Clintons
9 had to do legally. The things that we were concerned with
10 had most to do with the management of the White House and
11 how you manage the White House at a time when you have
12 these other things going on. So that would, in retrospect,
13 would be the way I would differentiate between what it was
14 the White House response team did loosely or even formally.

15 Q With respect to the response team, the Whitewater
16 response team, was -- strike that question.

17 Did the White House have a position on the
18 extension of the statute of limitations?

19 A Oh, I don't think that we would have a position
20 in the White House. I expect that David Kendall, the
21 Clintons' attorney, had a position on it.

22 Q I asked that question inartfully. David Kendall

1 is the Clintons' personal attorney relative to Whitewater
2 and other matters, I suspect.

3 I'm asking about did the White House have a
4 position with respect to the statute of limitations in
5 general, not as it applied to only Madison.

6 A I don't think we ever had an official position on
7 it.

8 Q Did you have an unofficial position on it?

9 A I'm sure that people in the halls -- I mean, were
10 talking about it.

11 Q Was that a subject matter that was brought up by
12 the Whitewater response team, to decide whether the White
13 House could or should have a position on the statute of
14 limitations?

15 A I would not think that that would fall within the
16 purview of the White House response team. I mean, maybe
17 I'm just speaking for myself. That did not seem to be a
18 matter that we would need to have a position on at the
19 White House.

20 Q The more precise question is do you ever recall
21 that being discussed by the Whitewater response team, that
22 the White House either should or shouldn't have a position

1 on it?

2 A No, but I'm certain that we discussed Senator
3 D'Amato pulling off the calendar deals and what kind of
4 media that was getting and would there be any response to
5 it.

6 Q For the White House to take a position on the
7 extension or nonextension of the statute of limitations,
8 did you believe that would be a conflict situation?

9 A I'm sorry?

10 Q Did you believe if the White House took a
11 position on extension of the statute of limitations, it
12 would have been a conflict?

13 A A conflict between --

14 Q Conflict of interest.

15 A Oh. Boy, I never even gave it that much thought
16 at the time, and I probably wouldn't have labeled it a
17 conflict. In my own mind, I was able to make a distinction
18 between what it was, in my view, the White House as an
19 institution was concerned about versus what the Clintons
20 should be concerned about as legal issues. So while I
21 would not have thought of it in the context of a conflict,
22 it just seemed to me that there were some distinctions.

1 Q Let me show you a document X001059 and I
2 apologize for the condition of the copying, but this is as
3 we received them from the White House. I believe this is
4 from your files. It's a redacted version of your -- it
5 looks like your calendar. Do you recognize that?

6 A Yes, I do.

7 Q Do you recognize the writing on it?

8 A Yes. That's Evelyn Lieberman's handwriting.

9 Q Can you read it?

10 A Yes, I've read it. It's "Mack -- statute of
11 lims, WW."

12 Q Can you interpret that for us?

13 A Mack called the meeting, statute of limitations,
14 west wing.

15 Q WW in that sense means "west wing," not
16 "Whitewater"?

17 A Yes, it's west wing office. That's our
18 shorthand.

19 Q Can you tell what time that meeting was to occur?

20 A Well, I can't tell from this copy, but it looks
21 like from the position of it, that it's around 5:00 or
22 6:00.

1 Q Is that consistent with your memory of when the
2 meeting took place?

3 A Yes, it's consistent.

4 Q Following the Altman meeting, what did you do
5 with respect to Whitewater or Madison?

6 A Nothing.

7 Q Did you report this to anyone?

8 A No.

9 Q Did you report what happened at the meeting to
10 Mrs. Clinton?

11 A No, I did not report it to Mrs. Clinton.

12 Q Did you report it to the president?

13 A I didn't report it to anyone. It didn't seem to
14 me there was much to report.

15 Q What was the next contact or action you took
16 relative to Whitewater or Madison?

17 A Well, Roger called me a few days later -- I want
18 to say a few days later, but maybe it was a couple days
19 later. I don't know the time necessarily. I don't know
20 the date. I do know it was in the afternoon because he was
21 on his way to the Hill for some health care meeting with
22 whoever, someone on the Hill, a health care meeting, and he

1 said to me I have decided not to recuse, and I said
 2 something flip to him, probably like "good for you" or, you
 3 know, we have a -- and he said I want to tell some people
 4 in the -- I want to tell some people in the White House
 5 that. And I mean, I remember thinking to myself, so tell
 6 them.

7 And then he said I'm on my way to this meeting,
 8 but I would like to get a few people together to tell them,
 9 and I thought okay. And he said could you grab a few
 10 people or get a few people or call a few people, and I said
 11 okay.

12 And my own view of this is I always think of
 13 Roger as very tortured about right and wrong and doing the
 14 right thing and so forth and so on. But he says I can't
 15 see you because I've got to be on the Hill, and I said
 16 well, I'll try and see who I can get, what about my west
 17 wing office? And I think I remember calling -- I remember
 18 calling Harold, and I remember calling -- I think I
 19 remember calling George and maybe Neil Eggleston, I think.
 20 It seems to me maybe I tried to get ahold of Bernie. I'm
 21 not sure if he was around.

22 So I mean, it was like a -- I remember -- I think

1 I did tell George because I remember George saying I don't
 2 have a lot of time or something. Anyway, everybody kind of
 3 gathered. I remember I have a picture of Roger standing
 4 there with his briefcase getting ready -- it was a standing
 5 meeting because it was quick, and he said I've decided not
 6 to recuse, and not that I think people were on purpose kind
 7 of making fun of him, but I think there was a kind of --
 8 the same kind of "so what?" sense that I had when he called
 9 me and people left.

10 I stayed in my office, and Jean Hanson came,
 11 which is why I believe these times are mixed up, the dates
 12 at least on the sheet are mixed up because it strikes me
 13 that she got waived in to go to my west wing office and
 14 Roger must have called her to come.

15 Q When you say "waived in," what does that mean?

16 A It means -- it's a clearance procedure. So if
 17 someone is going to come and see you, come to your office,
 18 you have to get the security, you have to get all that
 19 done.

20 Q It's waived, w-a-i-v-e-d?

21 A Yes, I believe so.

22 Q Had you taken that step of making arrangements

1 for Ms. Hanson to be cleared to get into your office?

2 A I don't know. I probably wouldn't have done it
3 myself. It would have been easy enough for Roger who knew
4 the drill to call Evelyn or someone and say waive this
5 person in. I mean, I don't recall doing it myself. I tend
6 not to --

7 Q When Mr. Altman called you to tell you that he
8 was not going to recuse himself, you just indicated by your
9 testimony you thought it was "so what"?

10 A Well, I thought it was "so what," but I also
11 thought that given that I had given this big presentation
12 about his integrity and since he was going to take whatever
13 recommendation the RTC suggested to him anyway, that
14 telling me was telling me.

15 Q So you thought, it would be accurate to say that
16 you felt it was somehow appropriate to tell you because you
17 had raised this issue with him and he was responding to
18 you?

19 A Yes. I mean, appropriate? You know, Roger is my
20 friend and, you know, I think he felt that he would tell
21 me.

22 Q But when he said he wanted to get some people

1 together, you must have thought this is a little
2 extraordinary, didn't you?

3 A It wasn't extraordinary, but I thought -- I
4 didn't much understand the sense of it. On the other
5 hand -- and this is only speculative based on what I know
6 of Roger -- Roger, you know, I always think that he's
7 really tortured about doing the right thing. He's always
8 concerned about doing the right thing. He is a person of
9 kind of real integrity that wants to make things work and
10 he wants people to be clear about things.

11 So while I thought it was a little bizarre, given
12 that he was on his way someplace, it was a meeting, get a
13 few people together but I thought what the hell? If I can
14 get five or six people together and he wants to do it, so
15 what?

16 Q How did you decide who you should bring together
17 for this presentation or this little meeting?

18 A Well, I thought Harold -- well, I thought -- I
19 always think of counsel's office, anything having to do
20 with the Whitewater. I thought counsel's office. I
21 thought -- I don't know if I thought of George functionally
22 as communications or I just thought of George. I mean,

1 George is in and out of every meeting, so he's a favorite
2 for every meeting. So I asked him, and Harold just because
3 he had --

4 Q That's Harold Ickes?

5 A I'm sorry, Harold Ickes.

6 Q And George Stephanopoulos?

7 A I'm sorry, George Stephanopoulos and Harold Ickes
8 because he had been involved in the Whitewater group, and
9 was still following it.

10 Q Why Neil Eggleston?

11 A Well, with Neil, I'm not sure whether I called
12 the counsel's office and Bernie wasn't there and I said
13 well, let me speak to Neil. I don't know if I called Neil
14 or singled him out or he was a substitute because I cannot
15 remember if Bernie was there or not.

16 Q Did you call Mark Gearan or anybody from the
17 White House press group?

18 A I may -- I don't know if I called Gearan or not.
19 It seems to me I may have tried to call people but it was
20 the middle of the day, at the height of people's workday,
21 so I may have called somebody else, but they couldn't get
22 there. I don't remember who I called.

1 Q Did you tell Mr. Altman when he called that
2 Roger, this is a silly meeting to have. This is a nothing
3 issue and just forget about it. We're not going to call a
4 meeting for this?

5 A I don't remember saying to him -- I would never
6 say to anyone, this is a silly meeting. But I may have
7 said well, you know, it will be really hard to get anybody
8 together for this, but I'm sure I didn't say this is a
9 silly meeting. I wouldn't have said that to him.

10 Q One can infer from what you've testified to that
11 the White House is a busy place and that it has things of
12 moment that are important. Bosnia, I think you mentioned,
13 Rwanda, whatever was on the table and these are very senior
14 people that are being called together that I don't imagine
15 have time to come in and listen to a nothing issue; is that
16 correct?

17 A I think, on the whole, that would be correct.

18 Q You said after Altman made his statement, the
19 meeting broke up. When Roger spoke, did anybody reply to
20 his statement?

21 A I don't remember what anyone said. I'm sure
22 someone said something. I don't remember what they said.

1 Q Did anyone respond to him in any way, perhaps in
2 a nonverbal way?

3 A I wasn't paying that much attention. As I said
4 before, the only thing I kind of remember -- and maybe this
5 goes to tone -- there was kind of a good for you, Roger, a
6 very kind of a teasing thing. It did not strike me as
7 necessarily serious.

8 Q Did people say the words "good for you"?

9 A I don't remember that exactly.

10 Q Did they say that's good?

11 A I don't remember that exactly.

12 Q Did you get the impression that there was an
13 affirmation of what he had done was the right thing?

14 A I didn't have a sense of the room. I, of course,
15 based on what I had said, thought well -- I thought here's
16 an honest man. He's going to do the right thing. Good.

17 Q Did everyone then leave the office, except
18 yourself?

19 A Yes.

20 Q And then sometime later, you said Ms. Hanson --

21 A Maybe like five minutes later or 10 minutes
22 later, everybody was gone.

1 Q And when she arrived, who was present?

2 A Me.

3 Q Was anyone else there?

4 A I don't think so. It seems to me someone may
5 have been in the room but not someone left from that
6 meeting.

7 Q Do you remember Mr. Ickes being present in that
8 room?

9 A I don't, but he could have been. He could have
10 been the last to leave.

11 Q Do you remember Mr. Ickes having a conversation
12 with Ms. Hanson?

13 A I really don't.

14 Q Do you remember having a conversation with
15 Ms. Hanson?

16 A Yes. Afterwards, she sat down, and we talked
17 about Minneapolis for 30 minutes.

18 Q Prior to your discussion of Minneapolis -- and I
19 assume Minneapolis had no connection whatsoever to do with
20 Madison or Whitewater?

21 A No, it did not.

22 Q Prior to that, did you have any discussion of

1 what Mr. Altman's reportage had been?

2 A No, I don't believe that I did. She came in kind
3 of out of breath, it strikes me. It seems like she had
4 been somewhere, and she had been beeped -- you know, she
5 came in out of breath, and I said well, you just missed
6 Roger, and then I said something like sit down for a second
7 or whatever.

8 Q Do you recall her being at the February 2nd
9 meeting also?

10 A That was the --

11 Q The Altman meeting that --

12 A Yes, I do.

13 Q Do you recall her taking the position at the
14 February 2nd meeting that Mr. Altman should recuse himself?

15 A I don't recall that. I mean, she could have.

16 Q Do you remember anyone taking that position at
17 the meeting, February 2nd meeting?

18 A No, not necessarily. I don't recall it, but I
19 don't know what happened before I got there.

20 Q Did you hear any discussion at the February 2nd
21 meeting about an ethics opinion as to whether Mr. Altman
22 should recuse himself?

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1 A I don't recall hearing that.

2 Q Did you inform Ms. Hanson when she arrived at the
3 February 3rd -- strike that.

4 When she arrived at your office on February 3rd,
5 did you inform Ms. Hanson that Mr. Altman had just told you
6 he was not going to recuse himself?

7 A No. I've really thought about that, and I can't
8 remember whether I did or not, or whether there was
9 something that led me to believe that she knew. I really
10 do believe that I had a social conversation with her.

11 Q Let me ask you, do you remember Mr. Ickes having
12 a discussion with Ms. Hanson in your office about the fact
13 that Mr. Altman had decided not to recuse himself?

14 A Well, I don't remember that, because I don't
15 remember exactly if Harold lingered. My recall is that the
16 room cleared but Harold could have stayed, could have
17 talked to her, but I don't remember necessarily being in
18 the room during that. I don't remember that.

19 Q Do you recall being in the room when Mr. Ickes
20 asked Ms. Hanson who knew about Roger Altman's prior
21 decision to recuse himself versus not recusing himself?

22 A I don't remember that, no.

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1 Q Do you recall being in the room when Mr. Ickes
2 said to Ms. Hanson, it would be better if no one knew about
3 that fact?

4 A No, I don't remember that, no.

5 Q Are you denying that it occurred or you just
6 don't remember that?

7 A I don't remember that. First, I don't remember
8 being in the room when Harold and Jean were having a
9 conversation, although I could have been in the room. I
10 don't remember paying that much attention to it necessarily
11 if it happened. I mean, the way my room is situated, I
12 have my desk at the far end of the room and the doors at
13 the other end, and there is a conference table and people
14 have to leave, so if they had a conversation about this in
15 my office, I don't recall it, but it could have been in the
16 entry way. They could have been further in, I could have
17 not been paying -- I don't recall this conversation.

18 Q My memory of the White House offices is they are
19 not particularly large offices. Do you happen to have a
20 large White House office?

21 A I happen not to have a large White House office.
22 I have a long White House office, but I could literally be

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1 at one end of the office and depending on the amount of
2 attention I'm paying --

3 Q Can you hear conversation at the other end of
4 your offices? Is it so large you can't hear a normal
5 conversation?

6 A No. I probably could hear a normal conversation.

7 Q Do you recall being present when Ms. Hanson
8 responded to Mr. Ickes words to the effect that if asked,
9 she was going to tell what her position was, and that was
10 that Roger should recuse himself?

11 A No, I don't remember.

12 Q Are you denying that it occurred or you just
13 don't recall?

14 A I don't recall.

15 Q Would you remember something like that if it
16 occurred in your presence?

17 A Well, since I didn't think any of what was going
18 on was significant at the time, quite frankly, no. I mean,
19 I would really have to be listening and thinking this was
20 an important thing to remember. But I didn't find much of
21 what was going on significant.

22 Q What was the next contact or conversation that

1 you had about Madison or Whitewater after the February 3rd
2 meeting that you've just discussed with Ms. Hanson?

3 A I don't really remember anything else happening
4 that I can remember until maybe reading the next day
5 that -- and I don't know when this happened -- until after
6 Roger's testimony.

7 Q Mr. Altman testified on February 24th of 1994.
8 I'll tell you that. That's when he testified.

9 A Okay.

10 Q So what happened after that with respect to
11 Whitewater or Madison?

12 A Well, I don't know what happened with respect to
13 Whitewater or Madison, but I remember reading in the paper
14 or maybe hearing from our communications department, that
15 Roger said he had had a meeting with us, with Harold Ickes
16 and he had named my name and so either I read in the
17 newspaper or I heard it from our communications department
18 that it was about to be in the newspaper or someone from
19 the press called and asked about it.

20 Q And what was your response to that, if any?

21 A Well, we had met. I did not at the time think
22 that it was significant that there had been a meeting.

1 Q Then what was the press story about?

2 A The press story -- I think it was The New York
3 Times said that it had been inappropriate, was the word
4 that was used, for us to have met with Roger Altman.

5 Q Did you have a response to that?

6 A Did I have a response to that?

7 Q Yes.

8 A I didn't have a public response to that. I was
9 trying to figure out why it was inappropriate.

10 Q And did you determine why it was inappropriate?

11 A Well, I understood what the newspapers had
12 said -- yes, I understood what the newspapers had said,
13 which was it was inappropriate because the RTC had met with
14 the White House and that it wasn't strictly a procedural
15 meeting that had occurred.

16 Q Did you agree that it had not been a strictly
17 procedural meeting?

18 A From my point of view, no, I disagreed. I
19 thought it had been a procedural meeting.

20 Q Did you consider the information concerning
21 Roger's possible recusal to be procedural?

22 A Yes, because that was the way in which it

1 actually had been explained to me. And once again, you
 2 know, the place where I was on the recusal was I had been
 3 in a meeting where someone had explained that he would take
 4 whatever recommendation the RTC would give. I mean, I did
 5 not see that meeting as people pressuring Roger, and plus
 6 he was going to do whatever the RTC staff said. So I found
 7 it all a little much.

8 Q Following that, following your reading in the
 9 newspaper and thinking about this, what was the next
 10 contact you had with respect to Whitewater or Madison?

11 A I don't know. I think this lasted a while. I
 12 don't remember everything that happened. I don't know if
 13 they called Roger back up to testify. I don't know quite
 14 what happened, but it seems like somewhere in between
 15 there, I discovered or read that Roger had checked with the
 16 Treasury ethics officer about whether or not to come to
 17 this meeting, which I thought well, he checked with the
 18 Treasury ethics officer and got a green light, so why are
 19 people still talking about this?

20 Q Did you understand at that time that he had not
 21 checked prior to a September meeting or that no one had
 22 checked prior to an October meeting and the first check

1 that was made was in February?

2 A I never knew about the other meetings so this was
 3 the first.

4 Q And would that change your opinion if you knew
 5 there were prior meetings where no ethics checks were made?

6 A Boy, am I supposed to give an opinion?

7 Q I'll waive the question. You don't have to
 8 answer.

9 Did you have any further meetings with anyone
 10 about Whitewater or Madison that you can now recall?

11 A Specific ones, I don't -- they all kind of blur.
 12 I don't know if it was a senior staff meeting, and it was
 13 in the newspaper or whatever. It just seemed to me what
 14 happened was -- the next intersect that I had with any of
 15 this is I got subpoenaed.

16 Q And on Tuesday, March 8th, do you recall having a
 17 meeting at around 6:00 with Mr. Altman?

18 A At 6:00 with Mr. Altman?

19 Q Yes.

20 A March 8th -- I don't recall having a meeting with
 21 Roger, but we -- about this?

22 Q I can't tell, to tell you the truth.

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1 A We have a health care group that meets at 6:00.

2 Q I'm looking at a diary entry from Mr. Altman's
3 diary.

4 A There's a 6:00 health care group that Roger is a
5 part of.

6 Q Did you have any discussions with Mr. Altman at
7 that time about the upcoming grand jury testimony?

8 A Huh-uh.

9 Q Did you discuss with anyone, except your lawyer,
10 about the upcoming grand jury testimony?

11 A No, just my lawyer.

12 Q I'd like to show you some documents, X1056, 1057
13 and 1058. Do you recognize what these are?

14 A This is from my notebook.

15 Q Whose handwriting is it on those pages?

16 A These are mine.

17 Q These are your notes?

18 A Uh-huh.

19 Q And on 10 -- may I see -- we don't have extra
20 copies of this. On 1057 -- let me ask you first, you say
21 these are your notes. Do you keep a record of -- strike
22 that.

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1 How are these notes kept?

2 A Haphazardly. Probably on this page, I may have
3 notes from everything from a state dinner to health care
4 notes to it could have been a senior staff meeting.
5 They're just all jumbled up.

6 Q And this appears to be a spiral-bound notebook,
7 so it's all kept together?

8 A Uh-huh.

9 Q And where is that notebook kept?

10 A On my desk, wherever I happen to have it.

11 Q Who keeps the notebook?

12 A I keep it.

13 Q Do you still have the notebook?

14 A Uh-huh.

15 Q And are you able to tell from looking at page
16 X1057 when that entry was made?

17 A Well, I remember Xeroxing this. I didn't have
18 any -- lots of the sheets are undated. They're just like,
19 kind of a running list of things.

20 Q Again, I return to the question: Can you tell
21 from looking at it when that entry was made?

22 A No, I cannot.

1 Q Would you read the entry to us.

2 A Yes. "RTC mention of Clinton's letter" -- it
3 looks like "of Clinton's/letter."

4 Q What does that mean, if you can tell us?

5 A I don't know what it means now. I don't know
6 what it means now. I mean, it could refer to the Sue
7 Schmidt article, "RTC mention of." I don't know what it
8 means exactly when I wrote it.

9 Q What does "/letter" mean?

10 A I don't know.

11 Q Turning your attention now to number X001058,
12 that page is dated at the top 2/10/94. And there's an
13 entry on that page. Would you read the entry.

14 A The first line says "Bruce." The second line
15 says "Altman --" looks like "did" and some kind of arrow.

16 Q Would you interpret what that means for us?

17 A If I could, I would. I do not know what I meant
18 by this.

19 Q Do you recall having any meetings or discussions
20 with Bruce Lindsey on or about 2/10/94 which related to
21 Whitewater or Madison?

22 A I don't recall. I don't recall having any

1 conversation with Bruce about Whitewater or Madison, but,
2 you know, it could have been personnel. I mean, you know,
3 it wouldn't necessarily have to be Whitewater or Madison.
4 That wouldn't be the only time I'd necessarily talk to
5 Bruce.

6 Q And on the line just below it, it says "Altman."
7 Did you have a meeting with Mr. Altman at or around that
8 time relating to Whitewater or to Madison?

9 A I don't believe I did. I don't believe I did. I
10 mean, I don't know if that's the date of the one where Jean
11 Hanson came in late. I'm not sure if that was 2/10.

12 Q I would inform you that Jean Hanson has testified
13 that that happened on February 3rd.

14 A Oh, okay.

15 Q So if that's helpful to you.

16 A I don't recall a meeting with Altman there on
17 Whitewater, although, you know, we had health care right in
18 the middle of this deal so I don't know.

19 Q Do you recall any other -- strike that.

20 Do you recall any other contacts relating to
21 Whitewater or Madison that you had that you have not
22 explained to us?

1 A No, I don't.

2 MR. CODINHA: I have no further questions.
3 Mr. Chertoff, you may inquire.

4 EXAMINATION

5 BY MR. CHERTOFF:

6 Q Ms. Williams, I'm, as Mr. Codinha told you,
7 Michael Chertoff. I'm the special counsel on the
8 Republican side of the Senate Banking Committee for
9 purposes of this Whitewater investigation.

10 Just to be clear, before today, other than --
11 from March 4th until today, other than your official
12 appearances before FBI agents or grand juries or Inspector
13 Generals, and other than your discussions with attorneys,
14 have you talked to anybody else about the subject matter
15 about which Mr. Codinha has asked you?

16 A The Whitewater?

17 Q Yes.

18 A Does this include press inquiries?

19 Q Let's put press inquiries to one side.

20 A Okay.

21 Q Other than that, have you talked to anybody about
22 the subject matter you've been asked questions about?

1 A No, I have not.

2 Q What about the press? Has the press asked you
3 about the issues that Mr. Codinha has been questioning you
4 about?

5 A There have been calls about the RTC meeting, yes.

6 Q And have you responded to those calls?

7 A Generally, Lisa Caputo would respond or Dee Dee
8 Myers might respond.

9 Q Do you simply refer the calls to Dee Dee Myers or
10 Lisa Caputo?

11 A Yes, depending on what it is.

12 Q Do you take any of the calls yourself?

13 A I tend not to.

14 Q Are there any that you have taken yourself?

15 A That I can remember off the top of my head, no.

16 Q Do you have any notes of calls you may have
17 taken?

18 A I don't keep notes of my phone calls.

19 Q Do you have any other kinds of notes that would
20 indicate press calls you've taken on this subject matter?

21 A No, there would not be any.

22 Q You're not an attorney, right?

1 A No, I'm not.

2 Q What was your background in the four or five
3 years before you came on board at the White House?

4 A Boy, four or five years -- I worked at the
5 Democratic National Committee as a deputy press secretary.
6 I worked for the Children's Defense Fund as director of
7 communications. Right before I joined the Clinton
8 campaign, I was finishing a master's degree at the
9 Annenberg School of Communications and had been accepted
10 into the PhD program of which I was about to start.

11 In addition to that, I was director of media
12 relations for the Center on Budget and Policy Priorities.
13 I have, since '80, participated in some way in every
14 Democratic national convention, either doing press work or
15 logistical work. That's lots of media communications.

16 Q How did you come to be appointed to be assistant
17 to the president and chief of staff to the first lady?

18 A I met Mrs. Clinton at the Children's Defense
19 Fund. She was a board member. I went there to direct an
20 advertising project on teen pregnancy prevention. She was
21 a board member there. At about the same time I became
22 director of communications, she became chairman of the

1 board so I knew her through that, came to know her. When
2 then-Governor Clinton decided to run, she called me and
3 asked me if I would join the campaign, but I was in the
4 middle of graduate school and didn't want to be on the
5 campaign.

6 Later, I decided to take a semester off and work
7 on the campaign for three months, and then I served as her
8 transition director with the understanding that I would
9 return to graduate school. And I was asked to stay for a
10 year to help her get settled into the White House.

11 Q Is it fair to say that your relationship with
12 Mrs. Clinton is more long standing and closer than that
13 with the president himself?

14 A I would say so.

15 Q In addition to being chief of staff to the first
16 lady, you also hold the title of assistant to the
17 president; is that correct?

18 A That's correct.

19 Q In terms of your actual duties on a day-by-day
20 basis, how much of your time is -- let me withdraw the
21 question and ask this: Is there a difference between the
22 duties you have as chief of staff to the first lady and the

1 duties you have as assistant to the president?

2 A There are sometimes, yes.

3 Q What's the difference?

4 A It depends on the project. Right now, I'm
5 involved in a project that has to do with some budget
6 issues that affect the entire institution of the White
7 House. It is not unlikely for me to be called in, because
8 of my communications expertise, to look at a speech that
9 the president is about to give, whether it's on health care
10 or not on health care. Around the D-Day trip especially, I
11 was asked by the speech writers and communications people
12 to look at what the plan was and whether or not I thought
13 the plan made sense.

14 Because my work with the Children's Defense Fund
15 and the Center on Budget and Policy Priorities has to do
16 with children and family issues, from time to time, I would
17 be called in to a meeting with people working on domestic
18 policy issues who would want me to be involved with them.

19 Q And in terms of your duties as chief of staff to
20 the first lady, what do those duties entail? What are your
21 major projects?

22 A My most major project tends to be health care and

1 around administrative issues having to do with health
2 care. And administrative in the sense that what we've
3 undertaken is kind of an across Cabinet and departments'
4 approach to trying to figure out health care policy. So I
5 would interact with people at HHS on health care, at
6 Treasury, at Veterans, I mean, across departments, putting
7 together meetings, if there seems to be a rough spot as
8 there was in reviewing different pieces of legislation,
9 trying to facilitate that.

10 Then the other kind of big part of my job has to
11 do with media, even though I have a very good press
12 secretary, because of my own communication skills and
13 because most of, interestingly enough, what has happened
14 with Mrs. Clinton is that most of the focus on her has been
15 media related. And so I tend to be involved in that a
16 great deal.

17 I also manage the events side, not necessarily
18 the social side of the White House, because what is unclear
19 to most people is that it's just not dinners that are put
20 on by the White House. Every event that happens at the
21 White House is done by the so-called social office of the
22 White House, and that's anywhere from bill signings to an

1 ensuing press conference.

2 It's generally Mrs. Clinton's staff that has to
3 work the logistics and the program of that so that staff I
4 also supervise, but they're really good at what they do;
5 but if there are any problems, I would be involved in
6 that.

7 There's -- I would be involved in, for instance,
8 the current meeting that's coming up with Hussein and
9 Rabin, I've been sitting in on some of the NSC discussions
10 about how that meeting is going to go because it affects
11 what happens in the House. It will affect what
12 Mrs. Clinton does in public with some of the other people
13 involved.

14 Q Is most of your time spent on the chief of staff
15 to the first lady's side of your assignment or is it evenly
16 divided between the work you do as assistant to the
17 president and as chief of staff to the first lady?

18 A There's really nothing that's evenly divided. ,
19 quite frankly, which I think people don't understand.
20 There has been, based on our campaign experience, a fair
21 amount of integration of Mrs. Gore's staff, the vice
22 president's staff, the president's staff and the first

1 lady's staff. So it really is kind of project by project,
2 but I do see as my kind of main focus is the management of
3 those 13 people who report directly or indirectly to
4 Mrs. Clinton.

5 Q Do you also in meetings tend to represent
6 Mrs. Clinton and be her eyes and ears on matters in which
7 members of the president's staff and perhaps other agencies
8 are participating in?

9 A There may be times when I express her opinions,
10 but I like to think that most of the time I go and I
11 express my opinion.

12 Q Does she send you to represent her at certain
13 types of events?

14 A I generally keep my own schedule. I can't
15 imagine a time, unless it would be an outside public event,
16 where she would say you must go here or you must go there.

17 Q Does she ask at meetings, for example, on topics
18 in which she has an interest that you go and attend and let
19 her know what happened?

20 A There probably have been -- yes, there probably
21 have been meetings, especially probably early at the
22 beginning when we were doing structuring of how -- where

1 people would sit, kind of institutional issues, yes.

2 Q Is there anybody else she would send rather than
3 you to represent her of a meeting inside the White House,
4 why people from the counsel's office and communications
5 office were from outside agencies?

6 A Anyone she would send other than me?

7 Q Other than you.

8 A Yes. She might send Melanne if it was a policy,
9 health care issue and she thought that would work --

10 Q Who's Melanne?

11 A Melanne Verveere, deputy chief of staff. She
12 might send Lisa Caputo, the communications person, to a
13 meeting.

14 Q What kind of meeting would Lisa Caputo be sent
15 to?

16 A Could be a communications meeting, could be a
17 meeting -- for instance, they were talking about the
18 president's -- part of his publicity or magazine strategy,
19 Lisa might go to a meeting like that.

20 Q Anybody else?

21 A Oh, she might send Ann Stock, the event person to
22 a meeting.

1 Q But only a meeting related to events?

2 A It would depend. Ann was the vice president of
3 Bloomingdale's before she came. She knows a lot about a
4 lot of different things, and Hillary might want her to go
5 to a meeting that Ann's expertise could be involved.

6 Q Such as what?

7 A Could be arts and humanities, working out a
8 domestic policy. It could be about a constituency group.
9 She was a press secretary and worked on a number of
10 campaigns. It could be a meeting on community building or
11 something. So depending on the meeting, she would think
12 about it or Ann herself would see that a meeting was going
13 on or hear about it and ask to go or go.

14 Q Do you have a social relationship with the
15 Clintons?

16 A Social --

17 Q Seeing the Clintons other than in a professional
18 way, invited to dinner or something of that nature.

19 A Well, the dinners that I have been invited to
20 have tended to be part and parcel of my work. I have,
21 because I meet with Hillary sometimes in the residence,
22 I've had occasion to have coffee with her. Occasionally,

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1 her whole staff will come to lunch but I would not see it
2 as a social relationship.

3 Q Do you consider Mrs. Clinton a good friend of
4 yours?

5 A I do consider her a friend.

6 Q Are you on a first name basis with her?

7 A Yes, I am.

8 Q Mr. Altman, when did you first meet Mr. Altman?

9 A Well, early at the beginning of the
10 administration. I don't know exactly when.

11 Q And have you gotten to be friendly with him as
12 well?

13 A I think I am friendly with him, yes.

14 Q Did you have a lot of contact with Mr. Altman
15 from the time you first met him until the time of the
16 present?

17 A It went in spurts, depending on what we were
18 doing in health care.

19 Q Was all the contact, other than meetings you've
20 testified to here, involved in health care?

21 A Yes, for the most part. I'm just trying to think
22 if there's anything else that I would ever meet about --

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1 no, even that was health care. I was going to say a
2 personnel issue but it was a personnel issue, revamping on
3 how health care was going to be worked on.

4 Q Have you talked politics with Mr. Altman?

5 A Oh, yeah, I'm sure. We've talked politics.
6 We've talked about religion.

7 Q Have you talked about issues of political
8 strategy as it affects the Clinton administration?

9 A Most recently, yes, we've talked about issues of
10 strategy.

11 Q And in relation to what kind -- generically what
12 kinds of issues?

13 A Probably a lot about -- not a lot about -- but
14 press strategy issues, what issues we should probably focus
15 on, as opposed to other issues.

16 MR. DENNIS: Mike, excuse me just a second.
17 (Discussion off the record.)

18 THE WITNESS: The budget only in passing. I know
19 he's a part of the team in the Ward Room effort --

20 (Witness conferred with counsel.)

21 THE WITNESS: I probably talked to him about
22 NAFTA at some point.

1 BY MR. CHERTOFF:

2 Q Incidentally, do you consider Roger Altman -- is
3 your opinion of him to be someone who tells the truth?

4 A I generally believe he tries to tell the truth.

5 Q When you say "he tries to tell the truth," do you
6 believe he fails in telling the truth sometimes?

7 A I don't know. I think that everybody generally
8 tries to tell the truth. I'm not saying anything
9 negative. I believe he tells the truth.

10 Q In terms of your experience, recognizing that no
11 one -- very few people are perfect on this earth -- in your
12 experience, do you have an opinion of Mr. Altman as someone
13 who is honest and whose statements can be taken to be true?

14 A In general, in areas that he knows about. We
15 have had some discussions where I believed -- and once
16 again, with respect to health care and some very dicey
17 issues around health care where I may have thought he
18 represented a discussion one way and it wasn't that way and
19 a discussion that I was present at, so we've had some
20 disagreements on how we've seen things.

21 Q Is this a question of opinion, or are you saying
22 that you have, in your mind, instances in which you believe

1 Mr. Altman has told something -- has made a statement that
2 you know to be untrue?

3 A From my perspective, I do not believe that he
4 deliberately did not tell the truth, but I have been at
5 meetings where I saw things one way and thought that the
6 meeting went one way and his impression of the meeting was
7 different.

8 Q Again, I want to be careful about this. Are we
9 talking about differences in characterizations or
10 differences in impression or are we talking about
11 situations where Mr. Altman reported that someone had made
12 a particular statement and your view was that statement had
13 not been made?

14 A It probably goes to the issue of characterization
15 and impressions. I cannot think of a specific time when
16 Roger has said something that was absolutely untrue. I can
17 think of times -- and I'm thinking of an instant where we
18 were having a particular budget meeting where his view of
19 it was that someone had said something else. I felt -- I
20 was at the same meeting and I believed that what she had
21 said or the budget numbers given were different.

22 Q Other than that, can you think of an instance

1 where you believed that a statement by Mr. Altman was
2 inaccurate as to a matter of fact?

3 A Well, that's all I can remember, but during the
4 budget things there were lots of discussions, so I can't
5 isolate them, but that one kind of sticks in my mind.

6 Q Do you still consider him, as you testified
7 earlier, to be a person of integrity?

8 A Yes, I do.

9 Q You're not going to revise that opinion?

10 A No, I would not.

11 Q Now, Lisa Caputo, does she report to you?

12 A Yes, she does.

13 Q And is part of her job to report to you about
14 significant events that happen that might affect
15 Mrs. Clinton?

16 A I would say the way her job works -- I mean, I
17 generally know or try and have an idea of what significant
18 events are going to affect Mrs. Clinton. Most of them you
19 can pick them up from the newspaper. We talk a lot about
20 press and press strategy and what the press calls are.

21 Q Did Lisa Caputo ever talk to you about any
22 information she had received concerning criminal referrals

1 in the Madison Guaranty matter that might affect the
2 Clintons?

3 A No.

4 Q Never had a conversation with her about it?

5 A No. Now, let me say this: If the question is --
6 I remember when Ann Devroy of The Washington Post called
7 her up and asked her whether or not she had talked to
8 someone from the RTC and she said to me -- she said I can't
9 think of any time I ever talked to anybody from the RTC.

10 She said I'm going through my head trying to
11 think of what it is, and she came to me and I said if you
12 can't think of what it is, call Ann Devroy up and tell her
13 you can't think of it, you don't know of any time. And I
14 think she called Ann Devroy up and she came back to me and
15 said I remember that some RTC guy called me and told me
16 that NBC was doing something or ABC and she said did I tell
17 you about it. I said I don't know, you could have. And
18 then she picked up the phone and told Ann Devroy that.

19 Q When did this conversation with Ms. Caputo occur?

20 A Well, whatever date Ann Devroy -- let's see --
21 the Ann Devroy story about other contacts with the RTC, it
22 was the day before.

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1 Q So this would have been after February 24th when
2 Mr. Altman testified and the press first began to write
3 stories about contacts between the White House and the RTC;
4 correct?

5 A Right, if the stories happened after February.

6 Q In October or in the fall of 1993, did you assign
7 or task Ms. Caputo to keep track of information concerning
8 Whitewater or Madison Guaranty?

9 A Probably, yes.

10 Q How did that come about?

11 A We were getting press calls. It was being
12 written about, and I said we need to follow this. We need
13 to know what's going on.

14 Q Did you tell her to coordinate that with
15 Mr. Gearan?

16 A I can't imagine that I didn't tell her that or
17 that she would know that just instantly.

18 Q Did you tell her to coordinate it with public
19 affairs people at other agencies?

20 A Oh, no.

21 Q Do you have any idea why Mr. Lindsey copied you
22 on his memo concerning the October 14th meeting that he had

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1 with officials of Treasury?

2 A No, I don't, other than Jeff Gerth of The New
3 York Times.

4 Q Why wouldn't he have copied Ms. Caputo?

5 A I don't know. She could have been on travel. I
6 mean, it could have been anything. I mean, sometimes he
7 might copy her. Sometimes he wouldn't.

8 Q Now, you indicated that Mr. Lindsey was the
9 person who knew about Arkansas. What do you mean by that?

10 A Just that he had gone through several campaigns
11 and knew Arkansas, was from Arkansas.

12 Q Was it your understanding that there was a
13 certain category of press questions that arose concerning
14 events that had happened before Mr. Clinton was elected
15 president that you considered to be Arkansas matters?

16 A Yes, I guess I would say that.

17 Q Within your dealing with the issue of the media,
18 did you tend to direct those questions to Mr. Lindsey?

19 A I might have, depending on what the question
20 was. I might have said Lisa, that sounds like something
21 Bruce would know something about.

22 Q And is he the person you would look to if you

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1 needed some information about what you considered to be
2 these Arkansas-related matters?

3 A Yes, I think probably pretty much so.

4 Q Did he actually have any kind of formal or
5 semiformal position as the person who would be coordinating
6 responses on Arkansas matters?

7 A I don't know if it was formal or semiformal. The
8 press, in some ways, designated that person anyway because
9 they all knew he had been with the president the longest,
10 and so they would direct questions to him anyway. I mean,
11 Bruce always seemed to have information about a press call
12 because the press had called him first.

13 Q Do you recall when the stories about the criminal
14 referrals first appeared in the newspapers in October?

15 A The one article I remember is the Sue
16 Schmidt/Washington Post.

17 Q What do you remember that article to have said?

18 A That the RTC was investigating Madison, or it was
19 a continuing investigation of Madison or something, and
20 that -- I mean, I probably didn't read it well, but I cut
21 to the chase. I think it said that the Clintons were not a
22 target or something.

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1 Q Wasn't that a story that indicated that criminal
2 referrals regarding Madison had been sent to the Department
3 of Justice?

4 A It could have been the story that said that, but
5 in terms of what I remember or what seemed significant to
6 me, that wasn't it.

7 Q What was significant to you was whether the
8 Clintons were targets?

9 A Yes. I saw they weren't a target and they were
10 investigating Madison, and I knew that Madison, it seemed
11 to me, had nothing necessarily to do with the Clintons,
12 other than something having to do with Whitewater, so I
13 didn't really -- if the Clintons weren't a target, keep it
14 in back of your head but --

15 Q How do you know that Madison didn't have anything
16 to do with the Clintons?

17 A Not that it didn't have anything to do with the
18 Clintons. I just thought that Madison had problems on its
19 own. It seemed that the Clintons were maybe peripheral to
20 problems related to Madison.

21 Q Where did you get that idea from?

22 A From the story, I think.

1 Q So in other words, your total analysis and
2 knowledge of the story came from within the text of the
3 story itself?

4 A Well, I can't say that definitely. I can't say
5 that definitely, but I can say that there was probably a
6 lot in that story, because the stories tend to review every
7 piece of history, then they summarize. So I can't say
8 where all my history came from, but I do think that a good
9 part of it could have been that story.

10 Q Was that story the first inkling that you had
11 that an issue involving a criminal referral that might have
12 some connections with the Clintons was out there in the
13 media?

14 A From my part, it was. First of all, I never
15 focused until I got asked the question, I guess, by the
16 grand jury people about criminal referral. That just never
17 stood out in my mind.

18 Q Let me stop you because I don't want to get to
19 your discussions with the grand jury. When you saw the
20 story and you saw criminal referrals and the Clintons in
21 the same story, that didn't alarm you?

22 A I don't know that I focused on criminal

1 referrals. What I believe I focused on is Clinton is not a
2 target, whatever it was.

3 Q And did you then take steps to ask someone else
4 in the White House if they knew more about what was going
5 on with respect to this matter?

6 A No, I did not.

7 Q You simply filed it away and forgot about it?

8 A Yes, I filed it away.

9 Q Did you talk to Mrs. Clinton about it?

10 A No.

11 Q Did you mention to Mrs. Clinton there was a story
12 in the paper concerning Madison and criminal referrals in
13 which they were mentioned?

14 A No, I did not.

15 Q Did the story mention that the Clintons might be
16 possible witnesses?

17 A I don't remember.

18 Q Would it have been something that would have
19 concerned you, to learn that the Clintons might have to be
20 witnesses in connection with the criminal case?

21 A Because I didn't focus on the word "criminal,"
22 and simply not a target, no. But you also -- you must

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1 understand that the number of articles that I read a day,
2 from every newspaper, that are clipped together would not
3 allow me to do a very close reading of any articles unless
4 I felt that there was some significant reason to dwell on
5 them, and I had not been given one.

6 Q Does the decision you make about whether
7 something is significant depend on whether you're asked to
8 focus on it, or is it something that on your own initiative
9 you spot and try to anticipate for the future?

10 A I use my own initiative a great deal.

11 Q Is it your testimony that a story in the nature
12 of all the clips you get, that a story concerning the
13 Clintons' personal activities which involved a reference to
14 criminal referrals and the Madison Bank and the Clintons as
15 possible witnesses would not have struck you as something
16 that was worth paying attention to?

17 A The word I focused on was "not a target."

18 Q Did you understand what "target" meant?

19 A I understood it to mean that that wasn't the
20 focus of the investigation.

21 Q So you understood that this was in the context of
22 a criminal investigation?

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1 A That's what I had read, that much or summarized
2 that much from the story.

3 Q So you understood at least from what you focused
4 on in the story that the Clintons' names had come up in the
5 context of a criminal investigation but they were not
6 targets?

7 A Criminal investigation -- the word "criminal" is
8 not a word that stood out for me. Investigation is a
9 word. I wouldn't know if it was criminal, civil,
10 whatever. That distinction actually at that point in time
11 was too fine a distinction. I would not have made that
12 distinction. I focused on the word "investigation." I
13 focused on the words "not a target."

14 Q Did you ask anybody in what kind of
15 investigations people become targets?

16 A I did not.

17 Q Did you at any point create a file in your office
18 for matters relating to Madison Guaranty or Whitewater?

19 A I created a file that said "Whitewater."

20 Q And when did you create that file?

21 A Oh, I don't remember. It's clips mostly.

22 Q Would that story have gone into the file?

1 A Might have, but I was pretty haphazard because
2 Lisa also is keeping a clip file so duplicating all the
3 clips seemed a little stupid and Mark would also be keeping
4 a clip file but I did create a Whitewater file.

5 Q What went into the Whitewater files, if not
6 clips?

7 A That was solely it, clips. And then later, stuff
8 that came from Congress.

9 Q I thought you indicated a moment ago that clips
10 were kept by Lisa Caputo and Mark Gearan?

11 A No. What I indicated is I might not have
12 included the Sue Schmidt article in there, but I might
13 have. It was kept haphazardly. If I tore clips out of my
14 clip book that day, then I would put them in a pile and say
15 "Whitewater file."

16 On the other hand, I wasn't that careful about
17 keeping every clip because I knew somewhere they would be
18 on record. So sometimes I would sit, look at my clips, put
19 some in, sometimes I wouldn't.

20 Q Where is that file now?

21 A It's still in my file drawer.

22 Q Did you produce that in response to the grand

1 jury subpoena to the special prosecutor?

2 A Yes, I pulled it out.

3 Q Do you know whether that was produced to the
4 Senate?

5 A I don't know.

6 MR. DENNIS: We didn't produce newspaper
7 clippings.

8 BY MR. CHERTOFF:

9 Q Was there nothing in that but newspaper
10 clippings?

11 A Whatever else was in there they produced. I had
12 gone through the file and then they sent attorneys to go
13 through my files.

14 Q Now, the Whitewater response team, did that get
15 created after the Sue Schmidt article appeared?

16 A I don't recall exactly when it got created.

17 Q Was it before the end of the year, 1993?

18 A Before the end of the year. I don't know the
19 exact time it got created.

20 Q You testified that there were -- I believe you
21 said Mr. Ickes would keep track of who had been assigned
22 particular tasks to do in the context of these sometimes

1 daily meetings; correct?

2 A Uh-huh.

3 Q And he would create checklists for that?

4 A I think he had some. I mean, on a pad or
5 something.

6 Q Do you know what happened to the checklist?

7 A No, no.

8 Q Did he hand things out?

9 A He may have. I don't know if he circulated
10 things. I do remember some kind of editorial response,
11 draft of an editorial response, draft of letters to the
12 editor.

13 Q Now, you also testified that the statements were
14 made during the meeting from time to time about we need to
15 find out the facts about this; correct?

16 A Uh-huh.

17 Q And how were people assigned to find the facts
18 out?

19 A Well, I think some things would be left to the
20 counsel's office.

21 Q Were they assigned factfinding?

22 A I can't say broadly. It was not as uniform as

1 that.

2 Q Who else was assigned factfinding?

3 A Someone would say if Bruce wasn't at a meeting,
4 see if Bruce knows about this.

5 Q So people would sometimes ask Bruce substantive
6 questions about matters that had been raised concerning
7 Whitewater?

8 A I think so.

9 Q That would be Bruce Lindsey?

10 A That's true.

11 Q Did you ever do that yourself?

12 A No, I don't believe that I did. I don't believe
13 that I did.

14 Q Do you remember anybody else who was specifically
15 asked to contact Bruce Lindsey concerning a substantive
16 question about Whitewater?

17 A Oh, no, I wouldn't have focused on who was asking
18 Bruce what.

19 Q Did Mr. Ickes run these meetings?

20 A Yes, or they would run themselves. People would
21 kind of talk. Harold certainly would open it and say well,
22 this was in the media today. This was in the media today.

1 This is what television did. What are our responses or
2 whatever, but they kind of ran themselves too.

3 Q How were you notified when there was a meeting?

4 A Either they would call my office -- and I want to
5 say in the beginning we tried for a uniform time, but
6 then -- it seemed to kind of get loose soon.

7 Q So they would call your office and say there was
8 going to be a meeting?

9 A Yes, they would call Evelyn and say there was
10 going to be a meeting.

11 Q How many people were on the call list when you
12 were notified for meetings?

13 A I have no idea because the numbers seemed to
14 change.

15 Q Did you decide you wanted to participate in this
16 or did someone ask you to participate?

17 A I probably decided I was going to participate in
18 it.

19 Q Why?

20 A Because Hillary's name was appearing in almost
21 every Whitewater story, so I wanted to hear what the
22 discussion was, what the media responses were, what was the

1 strategy.

2 Q Weren't Mr. Gearan and the people on the
3 president's staff coordinating the media response?

4 A Yes, they were, but given the number of press
5 calls that came in during this period of time, to think
6 that just Mark and his staff, given everything else that
7 was going on -- I mean, the White House did not stop --
8 that having other people involved, not to mention the fact
9 that my expertise is supposedly communications. And given
10 that, I was a good communications head to have in that
11 meeting.

12 Q Once you started to participate in the response
13 team, at that point, I take it you began to consider the
14 Whitewater matter something you wanted to focus on;
15 correct?

16 A It was one of the things I needed to focus on.

17 Q When did you start participating on the team?

18 A I have no specific memory of dates or when.

19 Q Was it before you got the call from Mr. Ludwig?

20 A Oh, I don't know. When was the call from
21 Mr. Ludwig?

22 Q I believe it was on or about January 19th.

1 A I don't know.

2 Q Do you know why it is Mr. Ludwig called you?

3 A No, I don't know why it is Mr. Ludwig called me,
4 but I imagine that it was just because I'm Hillary
5 Clinton's chief of staff.

6 Q Did you ever talk to Mr. Ludwig before?

7 A No.

8 Q Did you know who he was?

9 A The message I got said Comptroller of the
10 Currency.

11 Q And you understood that was a senior position at
12 Treasury; correct?

13 A I figured it was at Treasury.

14 Q And did you know whether Mr. Ludwig knew the
15 president and Mrs. Clinton himself?

16 A No, I did not know that.

17 Q Did you ask Mr. Ludwig why he didn't call someone
18 on the communications staff like Mark Gearan?

19 A No, I did not.

20 Q Did you ask him why he didn't call Bruce Lindsey?

21 A No, I did not.

22 Q Do you know whether in early January the

1 newspapers reported the fact that there was, in fact, a
2 response team at the White House dealing with the issue of
3 Whitewater?

4 A Yes, maybe so. I remember a story about it.

5 Q Was it around January 7?

6 A Could have been.

7 Q Was your name listed as part of the response
8 team?

9 A I don't know. It could have been.

10 Q Isn't it something you would have looked at?

11 A I might have, but you know, I can't even tell you
12 the places my name shows up.

13 Q Weren't there three people listed as being the
14 main elements of the response team?

15 A Oh, Harold -- there was a story -- it was a
16 Saturday. It was a Saturday story. It was a Saturday
17 story.

18 Q Tell us about it.

19 A It had Harold and I don't know, did it have
20 Bernie? I don't know. It was a Saturday story.

21 Q Mr. Ickes was in it?

22 A Yes.

1 Q Was Mr. Stephanopoulos listed?

2 A I don't remember.

3 Q Was Mr. Nussbaum listed?

4 A I think Bernie was listed.

5 Q Were you listed as the third name?

6 A I don't think I was listed.

7 Q Did you, therefore, ask Mr. Ludwig why he called
8 you rather than one of the people listed in the story?

9 A No, I did not.

10 Q Who did you tell about Mr. Ludwig's call?

11 A No one. I just threw it out.

12 Q Didn't you think that, as Comptroller of the
13 Currency, his call at least deserved to be passed on to
14 somebody else?

15 A I heard what he had to say. The matters he had
16 discussed were not extraordinary, and given the number of
17 calls that I have and what I have to do in a workday, I did
18 not think it needed to receive any more attention than I
19 had given it.

20 Q You've been involved in working in and out of
21 politics, as you testified earlier, for over a decade;
22 correct?

1 A That's correct.

2 Q You understand people are easily insulted when
3 their calls are not returned and they don't get a response;
4 correct?

5 A He did not seem to be asking me for a response.
6 I returned his call.

7 Q Did you consider the advice of Mr. Ludwig, as a
8 person of sufficient stature within the administration,
9 that he might be upset if he found out his advice was not
10 passed on?

11 A I did not think of it again.

12 Q Did you ever mention it to Mrs. Clinton?

13 A No. It didn't seem relevant to anything.

14 Q From the time you started on the response team,
15 did you have conversations with Mrs. Clinton about what was
16 going on in the response team?

17 A No, only that I felt that we were dealing with
18 the press sufficiently.

19 Q Did you talk to her about Whitewater?

20 A No. I really tried. I made a conscious effort
21 to have her focus on health care.

22 Q Did you ever talk to Mr. Altman -- putting aside

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1 the meetings you testified about with Mr. Codinha -- did
 2 you ever talk to Mr. Altman about Whitewater or Madison
 3 from a political strategy standpoint?

4 A I don't recall talking to him about it from a
 5 political strategy point. I probably talked about it in
 6 terms of health care and the political strategy.

7 Q Other than in terms of health care -- well, in
 8 terms of health care, what did you say to Mr. Altman about
 9 it?

10 A Well, I have to say that I wouldn't remember this
 11 or think of this, other than the fact that my lawyer showed
 12 to me some entries from something that Mr. Altman had
 13 written.

14 Q How did you get those entries?

15 A I don't know.

16 Q This is a document of Mr. Altman's?

17 A I believe so.

18 Q When you say your lawyer showed it to you, can
 19 you identify the lawyer?

20 MR. DENNIS: I showed it to her.

21 BY MR. CHERTOFF:

22 Q Do you have any idea where those pages came from?

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1 A No, I do not.

2 Q Did they come from the White House?

3 A Did they come from the White House?

4 Q Did they come from the White House?

5 A Oh, I don't know. I don't know.

6 Q Were you shown them in a grand jury?

7 A No, I was not.

8 Q Were you shown them by the Inspector General?

9 A No, I was not.

10 Q What were the documents?

11 A One was an entry that said that I had told Roger
 12 that Hillary was paralyzed or something by Whitewater.

13 Q And what was the next entry?

14 A That -- I don't know if this was the next
 15 entry -- that the White House was trying to influence the
 16 scope of the investigation or something.

17 Q Was it more specifically that the White House
 18 wanted to limit the scope of the special prosecutor's
 19 appointment in terms of the Whitewater investigation?

20 A It could have been that.

21 Q Was it that the White House was having difficulty
 22 with Janet Reno over that issue?

1 A That could have been what was written.

2 Q That's Janet Reno, Attorney General of the United
3 States?

4 A That's right.

5 Q Was there another entry concerning a remark about
6 the upcoming agenda for health care and the fact that there
7 wouldn't be much of an agenda for health care if the
8 Whitewater problem didn't clear up soon?

9 A Yes, something like that. I don't remember the
10 specifics of it.

11 Q Was there an entry about Mrs. Clinton was very
12 upset about the notion of having a special prosecutor
13 digging around in what went on in Whitewater for the last
14 20 years?

15 A I don't know if it said Mrs. Clinton was.

16 Q Did it say HRC?

17 A I don't remember that, but I know that it had
18 something to do with 20 years of Arkansas.

19 Q Did these entries refresh your memory about a
20 conversation you had with Mr. Altman?

21 A No, they didn't refresh my memory about any
22 particular conversations that I had with him. On one

1 point, the second point, I didn't know what he was talking
2 about.

3 Q I'm sorry, which point didn't you know --

4 A I'm sorry. I didn't know anything about the
5 influencing the scope of the investigation.

6 Q You mean for the special prosecutor?

7 A Right.

8 Q What about the other points?

9 A The other points I don't remember a specific
10 conversation with him, but I do remember having said to my
11 staff or to other people, given the number of calls that we
12 are getting on Whitewater, given the number of inquiries,
13 given how we are spending our time, we are not using our
14 time on health care.

15 Q But Mr. Altman was not part of your staff;
16 correct?

17 A He was not a part of my staff, but I may have
18 said it to other people.

19 Q Do you have a recollection of saying it to
20 Mr. Altman?

21 A I don't have a recollection of saying it to
22 Mr. Altman, but I would not be surprised if I had.

1 Q You do not deny, however -- you don't deny that
2 you said it to him. You said you just simply don't
3 remember?

4 A I don't remember having a conversation where
5 specific words used were "Hillary" or "paralyzed" or
6 something like that. I do remember that I was saying at
7 the time that there were many press requests, that we
8 seemed to be spending a great deal of time on Whitewater.

9 Q Was Mrs. Clinton spending a great deal of time on
10 Whitewater?

11 A She wasn't spending a great deal of time on
12 Whitewater, but I do know that she had to spend time with
13 her private lawyer, time that I would have wanted to have
14 spent on health care, you know.

15 Q Is it your testimony that your comments
16 concerning the impact of Whitewater on health care were
17 restricted to the fact that Mrs. Clinton was having to
18 spend time with her private lawyer?

19 A I'm sorry. You'll have to repeat that.

20 Q Is it your testimony that your comments
21 concerning the impact of Whitewater on the health care
22 proposal were limited to the fact that it was forcing

1 Mrs. Clinton to spend time with her private lawyer?

2 A Limited in my view, that would be so. I do not
3 know what other conversations or how much time she spent
4 poring over the newspapers or any of the rest of that. But
5 there seemed to be a good deal of time spent with her
6 private lawyer, yes, and trying to, if we couldn't figure
7 out answers to some of the press questions, trying to ask
8 her to think back or ask David Kendall if he could find
9 answers to other questions. So between press inquiries and
10 time spent with private lawyers.

11 Q Let me focus on that for a second. So you would
12 sit down with Mrs. Clinton and ask her specific questions
13 about the substance of matters that had occurred in
14 connection with Whitewater; is that correct?

15 A I would or Lisa would say these are questions
16 that we have received from the press, do you know the
17 answers to any of these.

18 Q And she would --

19 A If she knew them, she would say so right there or
20 she would say I can't recall what it is. Maybe down the
21 road David Kendall will have more information about it. I
22 mean, she would try and think about it.

- 1 Q And then were you given the authority to call
2 Mr. Kendall and ask him questions?
- 3 A No. Usually, that would be what she would do.
- 4 Q And Mr. Kendall would call you?
- 5 A He might call Lisa to find out how the question
6 was framed exactly. It could happen any way. She could
7 tell Hillary, if she was on the road and we needed an
8 answer back, he might call back and say I don't have an
9 answer. I don't know.
- 10 Q Would he sometimes give you an answer?
- 11 A From time to time, yes.
- 12 Q Would he sometimes funnel the answer through
13 Mrs. Clinton?
- 14 A Yes, it just depends.
- 15 Q Were you ever instructed or did you ever take the
16 initiative to see to it that information would be passed on
17 to Mr. Kendall?
- 18 A No, I didn't have -- no.
- 19 Q Even press information?
- 20 A Oh, from time to time, I might send a press
21 inquiry to Kendall, yes.
- 22 Q You'd call him directly?

- 1 A Yes, I might call him directly.
- 2 Q Can you remember any inquiries you passed on to
3 Mr. Kendall?
- 4 A No, there were so many, I don't know which ones I
5 sent or which ones I didn't.
- 6 Q Did you have discussions with Mr. Kendall about
7 these inquiries?
- 8 A No, not long ones. I was really trying to make a
9 distinction between whether or not he should answer them or
10 get back to the press or not, and what I thought were
11 institutional questions.
- 12 Q Now, in terms of the special prosecutor, you
13 understood in January of 1993 is that --
- 14 MR. CODINHA: 1994.
- 15 BY MR. CHERTOFF:
- 16 Q I'm sorry, 1994 -- that there was an increasing
17 question concerning an independent counsel or special
18 prosecutor should be appointed; correct?
- 19 A Yes.
- 20 Q And that must have come up in press inquiries,
21 too; correct?
- 22 A And editorials we were reading.

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1 Q Was it fair to say press people called you up and
2 asked what Mrs. Clinton's position was on the issue of the
3 appointment of an independent counsel?

4 A I don't remember specific questions about that.
5 Lisa might. I don't remember responding to it, but I'm
6 sure it probably happened, given the nature of calls, yes.

7 Q Weren't there specific articles and stories in
8 the press concerning Mrs. Clinton being negative on the
9 idea of an independent counsel?

10 A Yes, but I think they came after the appointment
11 of the independent counsel.

12 Q In connection with those stories, did you talk to
13 Mrs. Clinton about those stories?

14 A Not necessarily. I mean, there were -- I mean,
15 the discussions about independent counsel and whether or
16 not to have one were pretty open discussions at the White
17 House. I mean, people -- everybody had an opinion about
18 them.

19 Q We're not concerned with everybody. There were
20 articles that specifically talked about Mrs. Clinton's
21 opposition to an independent counsel; correct?

22 A There were articles, yes.

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1 Q You were asked questions about that by reporters;
2 correct?

3 A Sometimes, I guess.

4 Q You needed to find out what answer to give;
5 correct?

6 A Well, or not to answer.

7 Q You needed to make a decision, therefore, find
8 out whether you should answer or not answer; correct?

9 A I could make that judgment myself.

10 Q You didn't feel a need to contact Mrs. Clinton
11 herself and ask her what she wanted you to do with respect
12 to those questions?

13 MR. DENNIS: Mike, where are we going with this?
14 How does this relate to the RTC context?

15 MR. CHERTOFF: Frankly, it relates to the
16 conversations because it is probing part of the background
17 for this conversation or series of conversations with
18 Mr. Altman whose position, I think, is established in the
19 record. And since these conversations occurred before the
20 meeting on February 2nd, I think they're relevant to the
21 witness's state of mind and Mr. Altman's state of mind
22 going into the meeting.

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1 THE WITNESS: Going into what meeting?

2 MR. CHERTOFF: Into the February 2nd meeting.

3 Can I ask that the pending question be read back.

4 (The reporter read the record as requested.)

5 THE WITNESS: No, I did not.

6 BY MR. CHERTOFF:

7 Q Is it your testimony that you never had any
8 conversations with her concerning her attitude towards the
9 scope of the independent counsel's charter?

10 A I did not have discussions with her about it.

11 Q Were you aware of a meeting between Secretary of
12 the Treasury Lloyd Bentsen and Mr. Stephanopoulos
13 concerning the issue of Whitewater?

14 A No.

15 Q Is it your testimony that you did not have a
16 conversation with Mr. Altman in which you indicated that if
17 the matter of Whitewater were not resolved soon, that there
18 would not be a health care agenda?

19 A I do not remember that conversation.

20 Q Nothing like it in substance?

21 A Well, as I explained to you, the substance of the
22 conversations that I was having with lots of people --

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1 Roger could have been one -- was that we are so overloaded
2 with these Whitewater inquiries, that if we don't kind of
3 deal with this, we are not going to -- we're not spending
4 enough time on health care.

5 Q Did these conversations -- when you say "we," did
6 these conversations relate to people in the White House
7 press office being occupied or other people being occupied
8 with these inquiries?

9 A From my part, the two areas I was most concerned
10 about was the press office itself and, as I said before,
11 the amount of time that Ms. Clinton was having to spend
12 with her private attorney and whatever things we were doing
13 with relation to press questions that went to her. I
14 thought it was a poor use of time.

15 Q Did you feel it was distracting her personally?

16 A I can't speak to that. If she was reading the
17 newspaper, I'm sure that it could have been a distraction.

18 Q Did you recognize or have any thought or concern
19 about whether mentioning this to Mr. Altman might be a
20 problem?

21 A Mentioning what?

22 Q The whole general topic of the impact of

1 Whitewater on the administration, that it might be a
2 problem raising that issue with Mr. Altman?

3 A No, I didn't see it as a problem. You know, if I
4 raised it at all with him specifically, which I don't
5 remember, it would have been in the context of health care,
6 what were we supposed to be doing on health care. And
7 Treasury played an integral part in health care and if he
8 was interested in what was happening with health care and
9 the amount of time spent on it, it didn't seem to me that
10 that kind of conversation would be, you know --

11 Q Let's go back to these sheets of paper. When did
12 you first see these sheets of paper in Mr. Altman's
13 handwriting?

14 A I don't know.

15 MR. DENNIS: This week.

16 BY MR. CHERTOFF:

17 Q Did you see Xerox copies or did you see yellow
18 sheets, the actual original yellow sheets?

19 A Well, I glanced at the Xerox copies. I really
20 wasn't interested in seeing them. He kind of read it to
21 me.

22 Q Were you shown the handwriting?

1 A Yes.

2 Q Do you have any idea where they came from, those
3 sheets?

4 A I have no idea.

5 Q You didn't ask?

6 A No, I didn't ask.

7 Q Did it strike you as odd you should be shown
8 sheets of paper involving Roger Altman's diary?

9 A It did not strike me as odd because -- it did not
10 strike me as odd because in that Lloyd Cutler had said he
11 had seen the Treasury documents and had asked me about
12 them.

13 Q When did Lloyd Cutler tell you he had seen the
14 Treasury documents?

15 A I don't know. Last week.

16 Q Was this before you saw these sheets of paper or
17 afterwards?

18 A Before.

19 Q And did Lloyd Cutler show you the sheets of
20 paper?

21 A No.

22 Q Did Lloyd Cutler ask you about those sheets of

1 paper?

2 A Yes.

3 Q What did he ask you about them?

4 A He said do you remember any conversations that
5 you had with Roger in these three areas.

6 Q And what was your answer to Lloyd Cutler?

7 A I said no, I do not.

8 Q And did Lloyd Cutler show you any papers to
9 refresh your memory?

10 A No, he did not.

11 Q And how soon after your conversation with
12 Mr. Cutler did your attorney, Mr. Dennis, show you the
13 sheets of paper?

14 A I don't know. I'd have to -- not the same day
15 because he's in Philadelphia.

16 Q What was the day you saw Mr. Cutler?

17 A I don't know. I mean, I don't remember the day.

18 Q This was last week?

19 A I don't remember the date. Should I remember the
20 date?

21 Q The day of the week last week?

22 A I don't remember the day, but I will try and

1 remember the day. I don't remember the day.

2 Q And you say Mr. Dennis was in Philadelphia at the
3 time you met with Mr. Cutler?

4 A Yes.

5 Q Who was --

6 A His associate.

7 Q I'm sorry. Mr. Dennis's associate was with you?

8 A Yes.

9 Q And Mr. Dennis was in Philadelphia?

10 A Yes.

11 Q And please describe, in as much detail as
12 possible, how it came about that Mr. Cutler asked you these
13 questions about these conversations.

14 A He just asked me. There wasn't a lot of detail
15 to it.

16 Q After the conversation with Mr. Cutler, did you
17 ask anybody to find out about the diary?

18 A No, I didn't because I was -- I didn't know where
19 this was coming from.

20 Q Well, you said you weren't -- did you say -- let
21 me withdraw the question and ask you this way. You
22 testified a few moments ago that you were not surprised to

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1 see these sheets of paper to be marked as Roger Altman's
2 diary because you had been asked shortly before --

3 A Or whenever it was.

4 Q -- by Lloyd Cutler?

5 A Yes.

6 Q Did it surprise you to learn that Mr. Cutler's
7 questions came off sheets of paper or came from a diary?

8 A Did it surprise me?

9 Q Yes.

10 A Oh, yes. It did surprise me. It surprised me
11 that he even asked me questions.

12 Q After he asked you the questions, you testified
13 when you saw the sheets of paper, you testified a few
14 moments ago that you were not surprised to actually see the
15 sheets of paper --

16 A Because I had been earlier asked by Lloyd Cutler
17 these questions, and he -- I'm sorry. He had said that
18 Roger Altman had kept this note and that Treasury had --

19 Q In your conversation with Mr. Cutler, Mr. Cutler
20 told you that he was asking you questions based on diary
21 notes that Mr. Altman had kept?

22 A I believe that's so.

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1 Q Did he say that to you -- did he ask you the
2 questions first and then tell you about the diary
3 afterwards or did he tell you he was asking you questions
4 off of a diary?

5 A I don't remember how he did it.

6 Q Did you ask to see the pages?

7 A No, I didn't. I didn't ask to see the pages.

8 Q Did you ask your lawyer to get you the pages?

9 A I remember telling my lawyer about them.

10 Q Are there any entries that you have not testified
11 about in the pages you were shown?

12 A No. That's all I know about.

13 Q Were there entries concerning a meeting of
14 certain Cabinet officers to discuss the issue of
15 Whitewater?

16 A No, I don't know about that.

17 Q Well, how many pages did you see?

18 A One.

19 Q Just one?

20 A Yes, I think it was one.

21 Q When February 2nd came along, you were
22 specifically asked to attend the meeting by Mr. McLarty; is

1 that correct?

2 A That's correct.

3 Q And did you wonder why you had been asked to
4 attend that meeting?

5 A No, I didn't.

6 Q Did you ever ask Mr. McLarty why you had been
7 asked to attend that meeting?

8 A No. Mr. McLarty asked me to attend lots of
9 meetings.

10 Q Lots of meetings about Whitewater?

11 A No, just lots of meetings in general, so I
12 wouldn't -- it didn't strike me as unusual that he would
13 ask me to attend this meeting.

14 Q Can you remember any meeting that he asked you to
15 attend other than this one concerning Whitewater?

16 A No, I don't recall one.

17 Q I want to direct your attention to exhibit X1056,
18 1057 and 1058 which include as 1057 a page that includes
19 RTC's mention of Clinton's letter, which you've seen before
20 a little while ago; correct?

21 A Yes.

22 Q Is there any way of ascertaining -- do you still

1 have the notebook?

2 A I believe I do.

3 Q Is there a way of ascertaining, from looking at
4 the entries on the pages before and after this particular
5 page, approximately when in time this occurred?

6 A No, because there are lots of pages that have no
7 dates on them that go for a long period of time. I mean, I
8 don't sometimes date anything and then I might date
9 something.

10 Q Some of the pages must mention events; correct?

11 A I don't recall. Yes, some may.

12 Q It would be possible to go and look at that
13 notebook and either by finding some dates in it or finding
14 some events which could be pegged to dates, it would be
15 possible, in fact, to make some location in time of where
16 the page bearing this entry occurred; correct?

17 A Not necessarily because sometimes I witch
18 notebooks. You know, I might decide to use a legal pad
19 because I have it with me, so I use that or I might pick up
20 another notebook and I use that. I may have -- I try to
21 stay with one notebook, but I tend to leave my things
22 someplace so -- I mean, you know, you could give it a shot.

1 Q Did you give it a shot?

2 A Oh, yeah. I kept going through the whole thing
3 trying to figure it out.

4 Q And you couldn't find any notation on the pages
5 before or afterwards that helped you determine that this
6 entry was either before a particular event or after a
7 particular event?

8 A I wasn't necessarily looking for a particular
9 event, but I was trying to figure out if I could determine
10 any dates by looking at pages in front and behind, and I
11 could not figure it out. But it was not surprising, given
12 the haphazard way that I keep notes.

13 Q Do you have the notebook with you?

14 A No, I do not.

15 MR. CHERTOFF: Let me ask your attorney whether
16 it would be possible to have some kind of -- the witness
17 undertake to pinpoint the date.

18 MR. DENNIS: I'll go back over it again, Mike.
19 We went through it before. I went through it, couldn't do
20 it, but we'll go back and try it again.

21 MR. CHERTOFF: I mean, I will tell you that it's
22 certainly conceivable that at the hearing, there will be

1 some questions about this. So if, in fact, Ms. Williams is
2 asked to testify and therefore, I guess I'm giving notice
3 that it would be sensible for you to make an effort to
4 pinpoint this in time before that occurs.

5 BY MR. CHERTOFF:

6 Q In order to get waived into the White House, how
7 much lead time does it take?

8 MR. DENNIS: By the way, I understand that's an
9 acronym for something, White House access something or
10 another.

11 BY MR. CHERTOFF:

12 Q Whatever. Being waived into the White House is
13 what occurs when people do not have a White House pass are
14 granted access to go in for a particular meeting; correct?

15 A Right.

16 Q People with White House passes can come and go
17 freely; correct?

18 A Yes.

19 Q People that need to be waived in need to be
20 waived in for the particular event; right?

21 A Right.

22 Q Is it customary to waive people in some period of

1 time in advance of the meeting?

2 A Generally. I don't know since I tend never to
3 have to do it, I don't really know how much time, how much
4 time in advance you have to do it.

5 Q What was going on in the health care arena in
6 February of 1994, early February? Anything major pending?

7 A I can't recall right off the top of my head.
8 There was so much happening. I can't recall right off the
9 top of my head.

10 Q Was it a busy time?

11 A Yes, it's always a busy time.

12 Q Congress was in session?

13 A I don't recall if Congress was back yet, but --

14 Q Doesn't Congress usually come back in January?

15 A Yes. I don't know the date that it was back, if
16 it was the 15th or 3rd or what.

17 Q I want to now direct your attention to your
18 testimony concerning this meeting.

19 A Which?

20 Q On February 2nd.

21 A Okay.

22 Q This was in Mr. McLarty's office?

1 A Yes, it was.

2 Q Was it common to have meetings in Mr. McLarty's
3 office?

4 A Yes. We had some meetings in Mr. McLarty's
5 office.

6 Q Were any of the Whitewater response team meetings
7 in Mr. McLarty's office?

8 A No. It would be common to have a meeting in
9 Mr. McLarty's office that Mr. McLarty had called.

10 Q Would it be common to have a meeting in his
11 office that he didn't attend?

12 A Not very common, no.

13 Q When you walked into the room and you saw
14 Mr. Altman and Ms. Hanson and Mr. Nussbaum and
15 Mr. Eggleston and Mr. Ickes there, did you know what the
16 meeting was about?

17 A I'm not sure that I did. Like I said, if I had
18 my schedule with me, and it said "statute of lms," then I
19 would know, but sometimes I have my schedule and sometimes
20 I don't. And sometimes to get to meetings, especially if
21 I've had a full day, I might get beeped with a message,
22 show up at McLarty's 6:00 meeting and not even quite know

1 what the meeting is.

2 Q Before that meeting, what did you understand the
3 statute of limitations to refer to?

4 A I knew that it had to do with waiving of some
5 rights and extension of the statute for some investigation,
6 for an investigation.

7 Q An investigation of what?

8 A I believe Madison, and I don't know if I had
9 learned this -- I mean, in time, I don't know if I've
10 learned this since or I knew this then.

11 Q You remember seeing the Senator D'Amato on the
12 floor of the Senate with a calendar, ticking off the dates;
13 right?

14 A Right.

15 Q That was something you paid attention to?

16 A I paid attention to it kind of out of one ear and
17 I remember him saying statute of limitations. I remember
18 him saying waiving of rights and something about the
19 Clintons, so I kind of paid some attention to it.

20 Q But are you telling us that going into that
21 meeting, you don't recall whether you even really
22 understood what the particular issue is?

1 A Yes, that is so. I mean, as much as I've told
2 you. I mean, I don't know at what point in time I came to
3 understand it. Things start to get a little blurred,
4 whether or not I read it in the newspaper, whether it was
5 the first time I heard about it was with Senator D'Amato.
6 I can't tell you exactly what knowledge I had when I walked
7 into the room.

8 Q Going into the meeting, did you understand that
9 if certain decisions were not made by February 28th or the
10 end of February, that the civil claims against -- that any
11 potential civil claims involving Madison Guaranty or
12 Whitewater might expire?

13 A I probably did not know it in that kind of
14 detail, but if Senator D'Amato was in front of the cameras
15 prior to that meeting, and I'm really not sure, I had some
16 sense of what "statute of limitations" means and that
17 something was running out. I didn't know it was as
18 precisely as you stated it.

19 Q Before the meeting on February 2nd, had you had
20 any conversations with anybody about this statute of
21 limitations issue?

22 A I don't remember any specific conversations about

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1 it, but it could have come up as a part of a legislative
2 report about what was going on on the Hill.

3 Q Did it come up at senior staff meetings?

4 A I don't remember specifically, but it could
5 have. I mean, I remember hearing about it.

6 Q Were people asking about it in the halls or
7 talking about it in the halls?

8 A There was so much happening, I just -- to say
9 that this was isolated, nothing is really isolated there.
10 Everything -- it's maybe on a list of something. Maybe it
11 comes up. Maybe someone mentions it in passing. I don't
12 remember focusing as much attention on it as I am now.

13 Q When you say nothing is isolated, you mean it was
14 all interconnected, the discussion about Whitewater and
15 discussion about health care --

16 A No, that's not what I mean. What I mean is
17 rarely, if ever, do you have time to focus on one specific
18 thing that is going on. There are so many things that are
19 going on. So if I heard it in a senior staff meeting, I
20 mean, I could have. I could have heard it in a legislative
21 report. I can have heard it on the radio. I mean, you
22 have so much information coming in to you, it's unclear

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1 where I heard it.

2 Q You missed the very first part of this meeting;
3 correct?

4 A Yes.

5 Q And you don't know how much time elapsed before
6 you got in there; right?

7 A No.

8 Q You do recall that Mr. Although was explaining
9 there was a decision that would have to be made by the RTC
10 concerning the question of getting a tolling or a waiver
11 agreement from the Clintons; correct?

12 A Yes.

13 Q And you also understood that there was another
14 decision that had to be made, whether Mr. Altman was going
15 to recuse himself from participating in this or not;
16 correct?

17 A Yes, but I guess --

18 Q "Yes" is all that's required. Let me ask you,
19 had there been prior discussions about the issue of recusal
20 in the White House?

21 A No, not that I know of.

22 Q You had never heard about the issue of recusal

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1 before you walked into that room in terms of Mr. Altman?

2 A In terms of Mr. Altman, right.

3 Q First time you ever heard of it?

4 A I believe so, yes.

5 Q And you walk into the room and Mr. Altman is

6 explaining that he will either stay and not recuse himself

7 and follow the RTC staff recommendation, or he will recuse

8 himself and it will fall to a career person to make the

9 final decision; correct?

10 A That's what I understood.

11 Q And at that point, having had no prior

12 discussions about recusal, you then express your point of

13 view. Is that your testimony?

14 A That is my testimony, but not of -- I had heard

15 about recusals just as recusals in general.

16 Q But you had not heard --

17 A Not with respect to Mr. Altman, no.

18 Q And you knew nothing about the considerations

19 that would go into his making his recusal in this

20 particular case?

21 A No, I did not.

22 Q And you said everybody in the world is recusing

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1 themselves. You have integrity. Why would you recuse

2 yourself. Is that your testimony?

3 A That's my testimony.

4 Q Who else was recusing themselves at that time?

5 A It seemed to me I heard in senior staff meeting

6 or from our legislative people that -- it seems like this

7 was a period when people were being nominated for different

8 things, the president's nominations, and I just kept

9 hearing that everyone is saying they want them to recuse

10 themselves or else they won't allow them to go through the

11 nomination process. And it just seemed to me every day

12 that someone was making this thing.

13 Q Can you name one person who recused themselves
14 during this period?

15 A That was being asked to be recuse themselves?

16 Q Your testimony was that everybody is recusing

17 themselves. Can you name one person who actually recused

18 themselves in the month or two months before February 2nd?

19 A I can't remember a person who did. But I do

20 remember a sense I had from talk that people were being

21 asked to recuse themselves, people who were involved in the

22 nomination process.

1 MR. DENNIS: Mike, let me just --

2 (Witness conferred with counsel.)

3 THE WITNESS: It wouldn't come to my mind.

4 MR. DENNIS: If you can answer the question any
5 more specifically based upon refreshing your recollection.

6 THE WITNESS: He says Ricki Tigert. I remember
7 something --

8 BY MR. CHERTOFF:

9 Q What do you remember?

10 A I remember she was being asked to recuse herself.

11 Q Now, who was she?

12 A I don't remember exactly. I remember that she
13 was a nominee of the administration's and I remember a
14 discussion about her -- not a full discussion, but I
15 remember at a senior staff meeting someone saying she was
16 asking her to recuse herself before her nomination could go
17 forward.

18 Q What was she being nominated for?

19 A I don't recall.

20 Q What was the recusal in regard to?

21 A I don't recall off the top of my head.

22 Q Is that the recusal issue you had in mind when

1 you said to the counsel to the president, the deputy chief
2 of staff to the president, the deputy secretary of the
3 Treasury, the general counsel to the Treasury and another
4 White House associate counsel that everybody in the world
5 is recusing themselves?

6 A I do not know that I had a particular person in
7 mind in my head. It could have been. It may not have
8 been, but I do know that the sense I was having was that
9 every time there seemed to be a nominee, that this word
10 "recusal" seemed to move forward and you couldn't do it
11 because you had to recuse yourself because you knew Bill
12 Clinton or you knew Hillary. You should recuse yourself.

13 Q Were there a lot of nominees for positions which
14 would involve making decisions about the potential personal
15 liabilities of the president of the United States?

16 A I don't know that exactly. I don't know that.

17 Q Based on your state of knowledge, did you feel
18 comfortable expressing this opinion in -- let me withdraw
19 the question.

20 As you've explained your state of knowledge
21 today, did you feel comfortable expressing the viewpoint
22 that you expressed in that meeting?

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1 A At the time when I was in that meeting, I did
2 feel it.

3 Q What did you see as the downside to Mr. Altman's
4 integrity or reputation for integrity in his deciding to
5 recuse himself?

6 A Well, here he had just said that I will take a
7 recommendation from the RTC staff, whatever that
8 recommendation is, which indicated to me that, you know, if
9 he had faith in the RTC staff, which apparently he did, and
10 they were working on it, that he would do what they
11 suggested. Given that he would do what they suggested, why
12 would he recuse himself?

13 Q What did you see as the downside -- let me
14 withdraw the question.

15 You testified, I believe, to Mr. Codinha, that
16 your understanding was that if Mr. Altman stayed on, he
17 would simply act as a rubber stamp. That was what you
18 testified as your understanding; correct?

19 A I did not use the words "rubber stamp."

20 Q So you expected him, in fact, to exercise his
21 independent judgment?

22 A Well, what I expected was, given he had faith in

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1 the RTC staff or the people who would be making the
2 recommendation, that he would go with whatever they
3 suggested, so I think that maybe the point of judgment was
4 that he had faith in the RTC staff, so that he had made a
5 judgment, in fact.

6 Q I see. So you understood that he had already
7 made a judgment on the merits of the case?

8 A No. He made a judgment that whatever it was that
9 the RTC staff would suggest would probably be correct.

10 Q Was it your understanding that Mr. Altman said in
11 a meeting that no matter what they suggested, he would
12 automatically agree to it?

13 A The words "automatically" were not used or
14 whatever they suggested were not used.

15 Q I'm trying to get a sense, Ms. Williams, of what
16 you saw as the alternative. On the one hand, you're
17 testifying that, on the one hand, you saw an alternative as
18 he would do whatever the RTC staff would say and on the
19 other hand, he would simply recuse himself and the career
20 RTC staff could do whatever they wanted to do. What did
21 you see as the difference when you made the statement
22 you've testified you made in the meeting?

1 A Well, I guess the difference was that he had the
2 job of making the decision, that he was, whatever he was,
3 acting director, whatever, and if he was acting director
4 and he had been given that responsibility and it seemed to
5 me based on what he said, he was going to try and execute
6 it fairly, why would you not take on the responsibility
7 that had been given to you.

8 Q Well, the responsibility he had been given, would
9 you agree, was fairly exercising his decisionmaking
10 authority; correct?

11 A I believe that.

12 Q I mean, did you understand that he had not been
13 appointed simply to be a rubber stamp of the staff;
14 correct?

15 A I don't believe -- yes, I believe that he hadn't
16 been appointed to be a rubber stamp of the staff but I
17 think what we're discussing is decision points. I mean, I
18 can exercise my judgment but one of the ways I exercise my
19 judgment is by having faith in the people who are selected
20 to make recommendations about a judgment. So that's how I
21 viewed it.

22 Q But was it your understanding that if Mr. Altman

1 did not recuse himself, that he would surrender the
2 exercise of his judgment or he would exercise his judgment
3 in the way he thought was fair?

4 A I'm sorry, I don't --

5 Q Was it your understanding at the time you made
6 this comment that if Mr. Altman did not recuse himself,
7 that he would not continue to exercise his judgment in a
8 way that he considered to be fair?

9 A I'm going to have to ask you to repeat it one
10 more time.

11 MR. CHERTOFF: I'll ask the court reporter.

12 (The reporter read the record as requested.)

13 MR. CHERTOFF: Let me withdraw the question
14 because I confused myself.

15 BY MR. CHERTOFF:

16 Q Was it your understanding that if Mr. Altman did
17 not recuse himself that he would then continue in the
18 position and would exercise his judgment in the way that he
19 thought it was fair?

20 A Yes.

21 Q And wasn't it a fact that the reason to have
22 Mr. Altman stay on was to have him exercise his judgment in

1 a way that he thought was fair?
2 A The reason to have him stay on?
3 Q Yes, and not recuse himself.
4 A Whose reason?
5 Q Your reason, your reason for advocating it.
6 A My reason was you're the acting -- you've been
7 given a job, not just in this matter but in general, you've
8 been given a job to do. You're a fair person. You should
9 do your job.
10 Q And you believed he should exercise his
11 responsibility; correct?
12 A I believed he should exercise --
13 Q You believed he should stay on, participate in
14 order to exercise his responsibility; correct?
15 A That he should stay on and do his job.
16 Q Which involved exercising his judgment and his
17 fairness; correct?
18 A I would say so.
19 Q Now, your testimony is after you made this
20 comment, Mr. Nussbaum kind of made a dismissive remark?
21 A I felt it was dismissive.
22 Q And then you tuned out of the meeting?

1 A Yes, mostly.
2 Q And you have no precise recollection of what else
3 was said?
4 A No, I do not. I do not. I felt it was -- I
5 mean, I know exactly what I was thinking about for the
6 latter part of the meeting.
7 Q What were you thinking about?
8 A I had felt that Bernie had dismissed what I was
9 saying because I was a woman and that no one had followed
10 up really on the conversation I had made, the statement I
11 had made, and so I was kind of -- I tuned out.
12 Q Why didn't you just leave?
13 A Well, because I didn't know if anything else
14 would come up or I would tune in again. I wouldn't just
15 leave. It wouldn't be my practice to just walk out of the
16 meeting.
17 Q Well, you came in late. Is there any reason you
18 couldn't leave early?
19 A Partly because I came in late, I thought I should
20 stay.
21 Q Now, did you ask anybody at the meeting why the
22 White House was getting involved in discussing the matter

1 of Mr. Altman's recusal?

2 A No, I did not.

3 Q When you came into the meeting, did you have any
4 understanding of why the White House should be discussing
5 Mr. Altman's decision to recuse himself?

6 A Did I have any understanding?

7 Q Yes. You were walking into a meeting; correct?

8 A Uh-huh.

9 Q What's your -- before you went into the meeting,
10 I take it you did not know that recusal was an issue to be
11 discussed?

12 A I thought it was discussed only in terms of how
13 Mr. Altman was talking about the two different scenarios
14 that had to do with the extension of the statute of
15 limitations.

16 Q So going into the meeting, you did not understand
17 recusal would be a topic of discussion. Is that your
18 testimony?

19 A I didn't know exactly what would be a topic, yes,
20 that's true, that's fair.

21 Q So did you ask anybody why the White House was
22 spending time discussing Mr. Altman's recusal decisions?

1 A No, I did not.

2 Q Did you ask anybody after the meeting why you had
3 had a 45-minute meeting on recusal?

4 A Well, I didn't believe there was a 45-minute
5 meeting on recusal. I thought that there was a meeting
6 about the procedure that would have to take place or the
7 process that would have to take place in order to get to
8 the point where the Clintons might be asked to waive their
9 rights. I didn't see it as a meeting about recusal.

10 Q What was your understanding about the portion of
11 the conversation that related to the procedure that would
12 have to be followed before the Clintons would get to the
13 point where they would have to waive their rights? What
14 was said about that?

15 A I don't remember all the specifics. I can tell
16 you, I tend to go to meetings. I tend to pull out what I
17 thought was important. What I thought was important was
18 there was something that happened at the RTC staff level, a
19 recommendation that would be made. The recommendation
20 would go to either Roger or a career person, and they would
21 make a recommendation about whether or not to ask the
22 Clintons or -- I think it was the Clintons and anyone else

1 involved in this matter whether or not they should waive
2 their rights. That's what I understood the issue to be.

3 That's what I remembered, and that's what I focused on.

4 Q Was there a discussion about whether it would be
5 awkward to ask the Clintons to waive their rights?

6 A No.

7 Q Did you ask anybody in the meeting to notify
8 Mr. Kendall about the procedural question of the statute of
9 limitations?

10 A To -- I'm sorry.

11 Q Notify Mr. Kendall concerning the procedural
12 issue of the statute of limitations.

13 A Well, I've been asked this before --

14 Q I'm not surprised.

15 A Although I don't remember saying that at the
16 meeting, but because I was always a person saying that has
17 to do with their legal deal, someone should talk to
18 Kendall.

19 Q So you're speculating that you may have said it
20 or you're remembering?

21 A No, I'm not remembering, and I'm not
22 speculating. I'm saying it is not inconsistent with me,

1 who was always saying that the legal part of this has to do
2 with Kendall.

3 Q Did you suggest that anybody else have -- anybody
4 else's private attorneys be notified about the statute of
5 limitations issue?

6 A Anybody else's attorneys?

7 Q Yes, anybody else involved in Madison Guaranty
8 who had private attorneys.

9 A Oh, I don't believe I would, no. I don't
10 think -- no, no.

11 Q Was it your understanding that it took 45 minutes
12 to explain the way the statute of limitations worked to
13 Mr. Nussbaum?

14 A Was it my understanding that --

15 Q That the issue was so complicated, it would take
16 45 minutes to explain to Mr. Nussbaum.

17 A That's my opinion. I don't know when they
18 started the meeting. I don't know how much was said.

19 Q Was the name Ellen Kulka mentioned in the
20 meeting?

21 A I don't know. There were names that were
22 mentioned, but I don't remember what they were.

1 Q Were they names of particular career people?

2 A There were names that were mentioned. They could
3 have been career people. I don't know if they were career
4 people at the RTC or Treasury. Could have been.

5 Q Did Mr. Nussbaum offer opinions about lawyers or
6 a lawyer at the RTC or at Treasury?

7 A I don't remember him offering an opinion about
8 anybody.

9 Q When you say you don't remember, does that mean
10 it didn't happen or you deny that it happened or you simply
11 don't recall one way or the other?

12 A Given that I wasn't really focused or listening,
13 I can't very well deny that it happened.

14 Q And you don't recall?

15 A I don't recall.

16 Q It may have happened in the part of the meeting
17 you tuned out?

18 A Or before. I don't know.

19 Q When you were there, did you see Mr. Altman
20 reading off of a piece of paper?

21 A I don't know. I don't remember. I don't know.

22 Q Do you remember Mr. Nussbaum making reference to

1 the result that might be achieved in the case?

2 A The result?

3 Q Yes.

4 A In which?

5 Q The decisionmaking result with respect to the
6 issue that was presented?

7 A No, I don't. I mean, the result of --

8 Q The result of the decision that would be made
9 concerning whether a tolling agreement would be sought from
10 the Clintons.

11 A I'm sorry. I don't really understand what you're
12 asking.

13 Q Do you remember Mr. Nussbaum making reference to
14 the decisionmaking result --

15 A Whose decision?

16 Q Let me withdraw the question.

17 Do you remember Mr. Nussbaum making reference to
18 what the RTC's decision would be ultimately regarding
19 whether they would want to seek a tolling agreement from
20 the Clintons?

21 A No, I don't remember. Result -- no, I don't
22 remember.

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1 Q You don't deny it. You simply don't remember?

2 A I don't remember.

3 Q Did you know Ms. Hanson well from your prior
4 encounters with her?

5 A No. This would have been the second time I had
6 seen her.

7 Q Did you respect her in terms of her reputation?

8 A I didn't know very much about her reputation.
9 You know, I had been in a meeting with her. I liked her.
10 We had had an amiable conversation.

11 Q Did you have a telephone conversation with
12 Mr. Altman after this meeting occurred, either later that
13 day or the next day?

14 A I remember a conversation. I don't think later
15 that day because it was already evening, and I don't know
16 if it was the next day or two days later, but I had the
17 conversation that resulted in that pickup deal meeting.

18 Q This was a conversation where he called you?

19 A Yes, he called me, or I was calling him back.

20 Q In terms of the date of the conversation, were
21 you shown something that you have used to kind of fix the
22 date of that conversation in your mind?

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1 A No, I don't remember, no.

2 Q Let me show you exhibit 1060, X1060, which is a
3 document from your file, which appears to say -- to be
4 addressed to "Maggie 2/4." I believe the time is 4:15, but
5 I can't -- you'll have to read it yourself. It says "Roger
6 Altman," and it says "will try to reach you later." And I
7 ask you if you recognize that.

8 A As much as I can make out, "will try to reach you
9 later," yes.

10 Q On the occasion you testified that Roger Altman
11 visited you, he actually placed a call and told you he
12 wanted to come by; correct?

13 A Uh-huh.

14 Q Was there another occasion, other than that,
15 where he left a message to you and you had to get back to
16 him?

17 A Could have been.

18 Q Was it about Whitewater?

19 A Oh, I don't know. It could have been about
20 health care.

21 Q What's been produced to us has been produced in
22 response to a request for matters that are concerning

1 Whitewater, so I will ask you whether this message pad
2 stimulates your memory about another call to Mr. Altman.

3 A It didn't, but I remember pulling it just because
4 it was near that meeting date, but it could have been about
5 health care, but I pulled it.

6 MR. DENNIS: Mike, that was a judgment that I
7 made just because of the date.

8 MR. CHERTOFF: Why don't we take a five-minute
9 break now.

10 (Recess.)

11 BY MR. CHERTOFF:

12 Q Now, let me direct your attention to the meeting
13 you testified occurred after February 2nd involving
14 Mr. Altman's stating his decision. Your testimony is that
15 he called you and he reached you in your office?

16 A Yes, I believe so, yes.

17 Q And was this around lunchtime?

18 A Yes, it was.

19 Q And he told you that he had decided to recuse
20 himself at that point; correct?

21 A Yes.

22 Q And your testimony is that you said good for

1 you --

2 A Oh, no, no, no. Recuse himself or not to recuse
3 himself?

4 Q I'm sorry, not to recuse himself.

5 A All right.

6 Q He told you at that point he had decided not to
7 recuse himself; correct?

8 A That's correct.

9 Q And you said "good for you"?

10 A No, I did not say that.

11 Q What did you say?

12 A I thought I made -- maybe I did say good for
13 you. I don't remember exactly, but I said yes or good or
14 something. I don't know.

15 Q And you told him he was doing the right thing;
16 correct?

17 A I don't remember saying "doing the right thing."

18 Q Did you believe he was doing the right thing?

19 A Based on what I said to him, I thought it was the
20 right thing, yes.

21 Q To stick it out?

22 A To do his job.

1 Q Which was to exercise his good judgment?

2 A To exercise his fair judgment, yes.

3 Q And did you express that thought to him on the
4 telephone?

5 A I figured I had pretty well expressed everything
6 I needed to the day before or whatever.

7 Q Did you ask him why he chose you to call about
8 this?

9 A No, I did not.

10 Q Do you have any idea why he called you instead of
11 Mr. Nussbaum or Mr. Ickes?

12 A Oh, because we had talked about religion and
13 decency, and I had talked about his integrity the day
14 before. That's just speculation on my part.

15 Q And it's after you responded to him in some way
16 that he said he wanted to tell other people in the White
17 House; correct?

18 A Whatever I said, yes.

19 Q Led him to say that?

20 A I don't know if it led him to say that or not.

21 Q Take us as specifically as you can through this
22 conversation from start to finish.

1 A I've been as specific as I can. That's the gist
2 of the conversation, not necessarily in exact words, but
3 then he said at some point in the conversation I want to
4 tell some other people in the White House or whatever.
5 Could you get people together because I want to tell them,
6 but I think we must have talked about health care because I
7 found out he had to go up to the Hill to do something.

8 Q So you believe in this conversation after he
9 mentions the issue of his decision not to recuse himself,
10 you get off on the subject of his going up to the Hill on
11 health care?

12 A Yes.

13 Q And then at some point he says to you he wants to
14 tell other people?

15 A Yes. I don't know if that came before or after,
16 but it was -- the conversation had some other parts to it.

17 Q Did he tell you he was going to come alone?

18 A I don't remember him -- oh, I don't remember.

19 Q Did he say he was going to bring somebody else?

20 A Oh, I don't remember if he said anything. I
21 don't remember.

22 Q Did he tell you he was going to bring Ms. Hanson?

1 A No. He could have. I don't remember it, but
2 yes, he could have said that.

3 Q If he said he was going to bring Ms. Hanson,
4 would you wonder why he felt he needed to bring his lawyer
5 with him to make this statement?

6 A If he had said he was going to bring her, I don't
7 recall if he said that and since I don't recall if he said
8 that, I don't have any thoughts about questioning whether
9 he did or not.

10 Q Your testimony is you said he'd like to tell you
11 a few people. Did he give you the names of a few people
12 he'd like to tell?

13 A He may have.

14 Q Or is it your recollection that he left it to you
15 who should decide to hear it?

16 A I don't know. He may have told me.

17 Q Did he suggest coming over in person first or did
18 you suggest he come over in person?

19 A I would have never said come over in person. I
20 mean, I just -- it was his initiative.

21 Q Did you say -- your recollection is specifically
22 he said I want to come over in person and have a meeting to

1 announce this?

2 A I don't remember if he said I want to come over
3 in person. I think he said I want to talk to a few
4 people. Can you get some people together, and I maybe said
5 where or well, maybe, west wing office or he could have
6 named some people. I don't know all the details of the
7 conversation or how it worked out.

8 Q Do you have a speakerphone in your office?

9 A At the time I don't know if I did.

10 Q Did Mr. Ickes?

11 A Have a speakerphone in my office?

12 Q Right -- in his office rather, in the west wing.

13 A I don't know if he did -- I guess he may have.

14 Q What about Mr. Nussbaum?

15 A I don't know.

16 Q Isn't Mr. Nussbaum's office a few doors away from
17 yours?

18 A Right, but I guess I never thought -- he might
19 have a speakerphone.

20 Q Do you have E-mail in the White House?

21 A Yes, there is E-mail.

22 Q Is your E-mail hooked up with other agencies of

1 the government?

2 A I never use E-mail.

3 Q Do you know if Mr. Altman uses E-mail?

4 A I have no idea.

5 Q Did you suggest to Mr. Altman that he can simply
6 E-mail --

7 A I would never have spoken the words "simply
8 E-mail."

9 Q After this conversation, you went to collect the
10 people that are going to come to this meeting?

11 A Yes. I called Harold, and like I said, I believe
12 I called George.

13 Q How much time did Mr. Altman tell you it would be
14 before he actually came over?

15 A I don't know if he gave me minutes or whatever,
16 but it was going to be soon because we had just had this
17 conversation about who he was seeing on the Hill. He had
18 an appointment with somebody on the Hill.

19 Q He didn't tell you he would come by later in the
20 day or tomorrow or at a time when everybody was assembled?

21 A No, he didn't.

22 Q And this again, is during the lunchtime hour;

1 correct?

2 A Yes. It was around 12:30, 1:00 or something like
3 that.

4 Q Do you have a memory of feeling rushed to collect
5 the people in the time period between the call and the time
6 he was going to arrive?

7 A Yes, I do.

8 Q Tell us how you went about -- first of all, how
9 did you decide who to invite?

10 A Either he named them or I just thought of Harold,
11 because of Whitewater, counsel's office and George because
12 he's in every meeting.

13 Q What did you tell Mr. Ickes when you invited him
14 to this announcement?

15 A I don't remember. I may have said can you do a
16 quick meeting -- I don't know exactly what I said but I may
17 have said can you do a quick meeting in my west wing office
18 in five minutes, Roger is coming over.

19 Q Did Mr. Ickes say what about?

20 A I don't know if he said what about. He could
21 have thought -- I don't know if he said what about, but I
22 could get up a meeting quickly on health care which we were

1 always doing after these Hill visits. We need to -- before
2 the next meeting, which is going to happen in a half an
3 hour, we need people to assemble to figure out what the
4 message was going to be dah, dah, dah, dah, dah. I just
5 said Harold, come up to my west wing office.

6 Q Did you say right now?

7 A Yes, I said Roger is coming over and -- I maybe
8 said right now, five minutes, something.

9 Q You went to, next, Mr. Stephanopoulos?

10 A I don't know the order.

11 Q This was by telephone?

12 A It was by telephone, and I suspect, given what
13 happens to me in the course of the day, I was taking other
14 calls or people were coming into my office which adds to my
15 feeling rushed about it.

16 Q Were the people you were inviting coming up to
17 the office and waiting for Mr. Altman to show up?

18 A Yes.

19 Q And how long did they wait?

20 A I don't know. I feel like I got there and
21 somebody else was in my office already.

22 Q You got there from where?

1 A From my office at the Old Executive Office
2 Building.

3 Q Your conversation with Mr. Altman was when you
4 were in the Old Executive Office Building?

5 A Uh-huh.

6 Q So you're in the Old Executive Office Building
7 and you're making calls to Mr. Ickes and to counsel's
8 office and to Mr. Stephanopoulos; right?

9 A Yes, I believe so.

10 Q Where are they at that point in time?

11 A I probably reached them all in their offices, in
12 the west wing and I mean, not that I had such precise logic
13 when I did this, but, you know, I would think they're all
14 in the west wing, and this is really quick. Where is the
15 quickest place for them to go.

16 Q And you had no difficulty reaching each of them
17 quickly?

18 A Oh, no, I probably had some difficulty. I don't
19 know how long -- you know, it didn't take very long, you
20 know, for me to kind of run down people, plus I don't know
21 if I ended up having to beep people. I don't remember the
22 whole method of it.

1 Q You think you may have beeped people?
 2 A I'm not sure. I don't know.
 3 Q Do you know if any of the people you were trying
 4 to reach were out of the office, in the west wing, doing
 5 something else?
 6 A I don't know.
 7 Q You walk over there from your office into the
 8 west wing; right?
 9 A Uh-huh.
 10 Q And when you arrive, who was in your office?
 11 A I don't recall who was there -- I think -- it
 12 strikes me there was somebody there. I don't know who it
 13 was.
 14 Q Mr. Altman?
 15 A No, because I remember Roger walking in and
 16 standing, so I don't know who was there already.
 17 Q Did Mr. Eggleston and Mr. Nussbaum and Mr. -- I'm
 18 sorry, Mr. Eggleston and Mr. Ickes, were they there before
 19 Mr. Altman arrived?
 20 A I don't know because I get this feeling of people
 21 kind of walking in the door -- somebody was there
 22 already -- I don't remember who, but I feel like there was

1 a body in the office already -- and I get the sense that
 2 people, because it was rush, were probably coming in and
 3 out or coming in, rush. But it seems to me that at the
 4 point that -- I don't know. This is just a timing thing.
 5 I really can't say, but I guess I can say that when Roger
 6 talked, whatever he arrived before or after whomever,
 7 people were there. I think that's right.
 8 Q Now, Roger comes in and what does he say? Does
 9 he sit down?
 10 A No. I just have this picture in my head of Roger
 11 standing with his briefcase. There's a conference table in
 12 my office, and the corner of it is probably the closest to
 13 the door, and I remember him coming and having his
 14 briefcase and saying something on the order of I just
 15 wanted to tell people I've decided not to recuse myself.
 16 Q And did he gave an explanation?
 17 A I don't really remember there being a lot of
 18 time. I don't remember an explanation.
 19 Q Did he say recuse himself about what?
 20 A I think maybe with the exception of George, who
 21 wasn't at that meeting, if it was Neil or Bernie -- I don't
 22 know which one it was -- or Harold or whatever, I guess

- 1 they knew and I knew.
- 2 Q And was there applause?
- 3 A Applause?
- 4 Q Did people break out in applause?
- 5 A Oh, no.
- 6 Q Did they pat him on the back?
- 7 A No. My own view -- and this is only my view --
- 8 was that people thought it was maybe a little weird to have
- 9 him announce this. And what I said before, the "good for
- 10 you" comment, the "good for you" comment was kind of an
- 11 offhand, cynical tease, well, good for you. It wasn't --
- 12 it wasn't -- no applause.
- 13 Q And Mr. Altman left?
- 14 A He had to get to his 1:15.
- 15 Q And everybody else then scattered before
- 16 Ms. Hanson arrived?
- 17 A I remember everyone else scattering. In my head,
- 18 everyone left. That's what I recall, because I remember
- 19 being alone with Jean for a very long period of time
- 20 afterwards.
- 21 Q You were with Ms. Hanson for how long?
- 22 A I think about 30 minutes.

- 1 Q Was there a lull in the day's work that caused
- 2 you to spend 30 minutes with her?
- 3 A Well, I also hadn't eaten yet and someone had
- 4 brought in my lunch and it was on the tray there and I
- 5 remember eating M&Ms or something, and I sat down and I had
- 6 on my desk a big huge picture book of Minnesota, which is a
- 7 place that I would like to live, and she had told me before
- 8 at some point she was from Minneapolis and had lots of
- 9 friends there and what it might be like living there. And
- 10 so I kind of ate and finished up and we talked about
- 11 Minneapolis and made a date to sit down and talk about
- 12 people I could meet if I ever moved there.
- 13 Q Did you tell anybody else about the recusal or
- 14 the decision not to recuse that Mr. Altman had made?
- 15 A No.
- 16 Q Were you surprised on February 25th to learn that
- 17 Mr. Altman had reversed himself and decided to recuse
- 18 himself?
- 19 A February 25th, what day was that?
- 20 Q A Friday, after Mr. Altman testified.
- 21 A Well, I think I found out about it Saturday in
- 22 the newspaper because I was on my way to Chicago Friday

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1 afternoon. It was the day of the big snowstorm. I was
 2 trying to make a 1:00 plane, and I recall that I couldn't
 3 get out until like 6:00 or something, and I went. It was a
 4 personal trip and I was in Chicago, and I remember either
 5 reading about it in The New York Times or -- either I read
 6 about the news story -- maybe I read about it in the paper
 7 because then on the way back on Sunday, I remember reading
 8 the editorial in The New York Times.

9 Q Did you have any conversation with Mr. Altman
 10 about his decision on February 25th to recuse himself
 11 afterwards?

12 A No, I don't remember a conversation with him
 13 about that specifically. I don't remember a conversation
 14 about that, and I'm trying to think -- I probably saw Roger
 15 again for health care or something, but I don't remember
 16 having a specific conversation with him about it.

17 Q After Roger's testimony on February 24th, was
 18 there a period of time in the next week that people in the
 19 White House were concerned about whether Roger's testimony
 20 was accurate?

21 A That his testimony was accurate?

22 Q Whether it was accurate or inaccurate.

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1 MR. DENNIS: Which aspect? What are you talking
 2 about?

3 MR. CHERTOFF: Let me withdraw the question.

4 BY MR. CHERTOFF:

5 Q Directing your attention to the week after Roger
 6 Altman testified, were there meetings in the White House or
 7 discussions in the White House concerning the fact that
 8 Mr. Altman's testimony was not completely accurate on
 9 February 24th?

10 A No, not that I remember, but I'm trying to think
 11 of the news story.

12 Q I'm not interested in the news story. I'm
 13 interested in the --

14 A But I'm trying -- if I can think of the news
 15 story, I can think of what might have triggered a
 16 discussion about accuracy or nonaccuracy of his testimony.
 17 I don't remember any discussions about the accuracy or
 18 inaccuracy of his testimony.

19 Q When did you first hear the meeting of February
 20 2nd described as a procedural meeting?

21 A When did I first hear it described?

22 Q Yes.

1 A I don't know.

2 Q Have you ever heard it -- didn't you testify a
3 little while ago that the discussion was explained to you
4 as a procedural discussion?

5 A No. I said he was explaining a process. He was
6 explaining procedurally what happened.

7 Q And then they went on to talk about recusal?

8 A Well, yes, except that it was in the context
9 of -- based on what I said, what Roger had said, was this
10 is a process, if I stay and if I recuse. So in that
11 context --

12 Q That's what you mean by "procedural"?

13 A Uh-huh.

14 Q Let me ask you, in terms of your current state of
15 mind and your current opinion, if you could -- let me
16 withdraw the question.

17 Do you recall -- directing your attention again
18 to the day, I guess, before -- maybe when you were in
19 Chicago over the weekend after Roger Altman's testimony --
20 do you recall learning of a conversation that George
21 Stephanopoulos had with Josh Steiner concerning Jay
22 Stephens?

1 A I recall Saturday before Time magazine -- I think
2 Time was coming out on Sunday or -- I don't know if it was
3 a Sunday, and I don't recall or I don't know if it was the
4 press office -- that there was a story -- or I don't know
5 if I was just at the office -- that there was a story
6 coming out in Time about a conversation George had had with
7 Josh.

8 Q Do you know who Jay Stephens is?

9 A Let's see. I knew him as the -- seems like he
10 was in D.C., was an attorney --

11 Q United States attorney?

12 A Yes.

13 Q When was the first time you heard Jay Stephens's
14 name in the White House in 1994?

15 A Oh, I don't know.

16 Q Did you know he was involved in handling the RTC
17 case against Madison Guaranty?

18 A I'm sure -- I'm sure I read it, and I don't
19 remember when I heard it. Either I read it or I heard it.

20 Q Do you recall any discussion in the White House
21 concerning that?

22 A I don't remember a discussion. I remember

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1 somebody maybe raised it in connection with -- people kind
2 of say in the senior staff meeting what the news of the day
3 is, so they may go through the clips and review things out
4 of the clips.

5 Q Do you remember a specific occasion in which
6 somebody in the senior staff meeting raised the issue of
7 Jay Stephens?

8 A No, I don't, but I'm trying to think of where I
9 would have heard it.

10 Q Did you ever have a conversation with either the
11 president or Mrs. Clinton concerning Roger Altman's
12 recusal?

13 A No, I didn't. The only conversation I ever had
14 with Hillary about Roger after that was that he was getting
15 so beaten up in the press.

16 Q Were you aware of any sentiment on the part of
17 the president or Mrs. Clinton concerning the way in which
18 Mr. Altman announced his decision to recuse on February
19 25th?

20 MR. DENNIS: I object to that, Mike. What does
21 that mean, "aware of any sentiment"?

22 MR. CHERTOFF: I'm asking was the witness aware

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1 of any opinion held by the president or Mrs. Clinton
2 concerning the manner in which Roger Altman recused himself
3 on February 25th.

4 MR. DENNIS: She can only answer that if it was
5 expressed to her.

6 MR. CHERTOFF: Whether it be based on directly or
7 through hearsay, there's no hearsay objection in a
8 deposition.

9 THE WITNESS: Well --

10 MR. DENNIS: If you can answer the question.

11 THE WITNESS: I just have a specific question.
12 The manner? What was the manner?

13 BY MR. CHERTOFF:

14 Q Did you hear of any opinion, whether directly or
15 indirectly, that the president or Mrs. Clinton held
16 concerning the fact of Roger Altman recusing himself or the
17 way in which he announced it?

18 A Not that I recall. How did he announce it? The
19 manner in which he announced it --

20 Q Did you remember hearing any complaints
21 concerning the fact that Mr. Altman informed The New York
22 Times before he had made a formal announcement?

1 A Oh. I heard about that. I don't know who I
2 heard it from, but I did hear about that.

3 Q Did you hear about it from the president or
4 Mrs. Clinton?

5 A Oh, no. No, I wouldn't have. But I do remember
6 kind of being puzzled because I remember someone saying --
7 I don't know who -- that Roger recused to The New York
8 Times and I remember thinking in my head, how do you recuse
9 to The New York Times, I mean, what that was about. And I
10 didn't take it necessarily seriously, and I wasn't there
11 for the weekend and not focused on it and wanted to be
12 focused on nothing about work that weekend, quite frankly,
13 whatever it was. But I never talked to the president or
14 Mrs. Clinton about it.

15 Q After the meeting on February 2nd and the
16 conversation a couple days later with Mr. Altman in which
17 he announced that he was not going to recuse himself, did
18 you have any discussions with Mr. Altman or anybody else in
19 the White House about the issue of recusal until Mr. Altman
20 made the decision on February 25th?

21 A No.

22 Q So your whole participation in recusal was being

1 invited to the meeting on February 2nd and having
2 Mr. Altman call you, then, within a day or so thereafter?

3 A That's correct, and then whatever I read
4 afterwards.

5 Q Did you ever ask Mr. Nussbaum or Mr. Ickes, why
6 am I involved in this question?

7 A Involved in the question of --

8 Q Of recusal.

9 A I don't believe I was involved in the question of
10 recusal. My participation in anything having to do with
11 recusal first started as being invited to a meeting about
12 the process of the statute of limitations in which the
13 recusal came up as a part of that discussion.

14 The second time I participated in a discussion
15 having to do with recusal was because I had made a speech,
16 be it a bad one or a good one, but a speech about it and
17 because Roger and I have a background of discussing
18 religion and decency and this thing and that thing and I
19 had made that statement, Roger called me up and asked me to
20 do that. That was my participation.

21 Q Let me show you exhibit -- let me ask you, do you
22 recall discussion in the White House concerning raising,

1 either with the media or with Congress, the question of why
 2 there was so much focus on little Madison when in the
 3 context of what was going on in Centrust, there were
 4 millions and millions of dollars being lost?

5 A In what?

6 Q The Centrust account. That rings no bell with
 7 you?

8 A No.

9 Q Let me show you exhibit X4 and ask you if you
 10 recognize that handwriting.

11 A I'm trying to read what it says, but I don't
 12 really recognize the handwriting. Should I look past this
 13 page?

14 Q It's just a typed version of it. I just want to
 15 know if you recognize it.

16 When you attended the meeting on February 2, did
 17 you associate that in your mind with the floor statements
 18 by Senator D'Amato in the Senate concerning statute of
 19 limitations?

20 A I think I did.

21 Q In that meeting or before or after the meeting,
 22 did you discuss the question of the statute of limitations

1 procedure as it might -- let me withdraw the question.

2 Before the meeting on February 2nd, had you
 3 requested or expressed a view about the desirability of
 4 getting a briefing on the situation with the statute of
 5 limitations for Madison in light of Senator D'Amato's floor
 6 statements.

7 THE WITNESS: You'll have to read that back to
 8 me.

9 (The reporter read the record as requested.)

10 THE WITNESS: I don't believe that I did. I
 11 don't believe that I did, but I'm trying to recall if there
 12 was any press release or something that came from Senator
 13 D'Amato's office about it and if I asked anybody about the
 14 press release. I don't really quite remember focusing in
 15 on the statute of limitations as much as focusing in on the
 16 statement itself and if something had come in or if I saw
 17 something. I'm not sure.

18 BY MR. CHERTOFF:

19 Q Part of your responsibility involved dealing with
 20 Congressional correspondence as it would relate to matters
 21 that would be of interest to Mrs. Clinton?

22 A Dealing with Congressional correspondence? Yes.

1 It depends on what it is, sure.

2 Q If someone in Congress was criticizing
3 Mrs. Clinton in a letter, that would be something which
4 would be brought to your attention?

5 A Depending on what the matter was and more likely
6 if it was -- more likely if it was something that was going
7 to end up in the press and we'd have to respond to it.

8 Q Do you know who Representative Jim Leach is?

9 A Oh, yeah.

10 Q Were you aware that in early February he was
11 seeking to raise the issue of Mr. Altman's recusal?

12 A In early February?

13 Q Yes, on the matter of Madison.

14 A I don't recall it. I don't remember it. I could
15 have read about it or heard it, but I don't remember it.
16 It doesn't stand out.

17 Q That was not a matter that stuck in your mind?

18 A It did not stick out in my mind.

19 Q You were not making any effort to follow what
20 Representative Leach was saying on the floor of the House
21 or saying to the floor of the press regarding Whitewater
22 and Madison?

1 A I probably paid attention to it inasmuch as there
2 were news articles and I read about it. But I have my
3 days. I can't keep track of everything, so depending on
4 what else was happening, I would figure out kind of what I
5 was doing and what I wasn't doing.

6 MR. CHERTOFF: I think that concludes my
7 questioning.

8 MR. CODINHA: I do have one or two questions.

9 EXAMINATION

10 BY MR. CODINHA:

11 Q You had indicated -- these will be very brief.
12 You had indicated to Mr. Chertoff in your responses that
13 you had been prepared for this deposition and had used
14 certain documents which had been identified as the Altman
15 diaries, or at least a page of the Altman diaries; is that
16 correct?

17 A That's correct.

18 Q Did you look at the page yourself?

19 A Well, I told him I didn't want to see it, really,
20 but I could see that there was handwriting and I had --
21 like I said, Mr. Cutler told me about it, which was my
22 first, kind of, what does this have to do with and I talked

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1 to my lawyer about it, and I said follow up, and then he
2 read them to me.

3 Q Did the paper you looked at appear to be
4 redacted?

5 A Oh, I don't think I was paying -- I don't think I
6 was paying any attention.

7 Q Did it look like pieces were taken out of what
8 you saw?

9 A Yes. It looked to me like there was a clump of
10 something in the middle of a page.

11 Q Do you or your attorneys still have that document
12 or those documents?

13 MR. DENNIS: I'm in possession of it.

14 MR. CODINHA: We would request that we receive
15 those to make part of this deposition, copies of those to
16 make part of this deposition.

17 MR. DENNIS: I'll consult with White House
18 counsel.

19 MR. CODINHA: That's the only question I had for
20 you.

21 MR. CHERTOFF: Since Mr. Dennis raised the issue
22 with White House counsel, am I correct in understanding

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1 that these are documents in the custody and control of
2 White House counsel?

3 MR. DENNIS: I'm not making such a
4 representation.

5 MR. CHERTOFF: All right.

6 MR. CODINHA: We have to make a concluding
7 remark. I would like to tell you for the record we'd like
8 to request that you do not discuss your testimony with
9 anyone else, other than your personal counsel, and the
10 reason for that is that every person who is deposed will be
11 asked who they spoke to prior to their depositions and what
12 was discussed, and thus, any discussions you may have with
13 other deponents may cause embarrassment to them or to some
14 other person. It's not binding on you. We would just make
15 that recommendation.

16 Thank you very much.

17 THE WITNESS: Okay.

18 (Whereupon, at 6:40 p.m., the deposition was
19 concluded.)
20

21

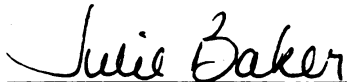
22

MARGARET A. WILLIAMS

CERTIFICATE OF NOTARY PUBLIC & REPORTER

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I, JULIE BAKER, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn; that the testimony of said witness was taken in shorthand and thereafter reduced to typewriting by me or under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and, further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.



Notary Public in and for the
District of Columbia

My Commission Expires SEPTEMBER 30, 1997

**DEPOSITION OF BRUCE R. LINDSEY
IN RE: S. RES. 229**

THURSDAY, JULY 21, 1994

**U.S. SENATE,
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
Washington, DC.**

Deposition of **BRUCE R. LINDSEY**, called for examination pursuant to notice of deposition, at 2:00 p.m. in the Hart Senate Office Building, Room SH-640A, before **JANE W. BEACH**, a Notary Public within and for the District of Columbia, when were present:

J. WILLIAM CODINHA, Esq.
Majority Special Counsel
NEAL E. KRAVITZ, Esq.
Majority Deputy Special Counsel
BETH O'NEILL MALONEY, Esq.
Majority Counsel
DOUGLAS EPSTEIN, Esq.
Majority Counsel
MICHAEL CHERTOFF, Esq.
Minority Special Counsel
RAYMOND NATTER, Esq.
Republican General Counsel
Committee on Banking, Housing, and Urban Affairs
U.S. Senate
On behalf of the Committee.

ALLEN R. SNYDER, Esq.
Hogan and Hartson
555 Thirteenth Street, NW
Washington, DC 20004-1109
On behalf of the Deponent.

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(2:50 p.m.)

Mr. Lindsey, my name is Bill Codinha. I am Counsel to the Senate Banking Committee and I am assisting Senator Riegle and the Democrats in this situation.

Michael Chertoff is the Special Counsel to the
Republicans, and Ray Napper--

MR. CODINHA: --Natter, I'm sorry. I confuse
y time--is the counsel to the Minority.

We are going to be taking a deposition in which we are going to be investigating whether under Senate Resolution 229, whether improper conduct occurred regarding:

(a) Communications between officials of the White House and the Department of the Treasury or the Resolution Trust Corporation relating to the Whitewater Development

Corporation and the Madison Guaranty Savings & Loan Association:

(b) The Park Service Police investigation into the death of White House Deputy Counsel Vincent Foster; and

(c) The way in which White House officials handled the documents in the Office of White House Deputy Counsel Vincent Foster at the time of his death.

At this time I would like to mark Senate Resolution 229 as Exhibit No. 1.

(The document referred to was marked Lindsey Deposition Exhibit No. 1 for identification.)

MR. CODINHA: This deposition is being taken as a result of a request from the Senate Banking Committee, from Senator Riegle the Chairman, and Senator D'Amato the Ranking Member.

The deposition is in advance of hearings scheduled to begin on or before July 29th, 1994. I would like to advise you that there is at least some likelihood that you will be called to testify before the Senate at those hearings, and you should just build that fact that these hearings are going to begin on the 29th into your

5

1 schedule as much as you can--which is not to say you
2 shouldn't continue doing your job or go where the President
3 wants you to go. But if you are planning on a vacation or
4 some other things, you should just bear that in mind.

5 Once we begin the deposition you will be sworn,
6 and I will be asking you a series of questions to which you
7 will be expected to give honest and truthful answers.

8 If I put a question to you and you don't
9 understand the question, identify the portion of it that you
10 don't understand and I will attempt to rephrase it.

11 I would caution you against guessing or
12 speculating, because very often there will be follow-up
13 questions to the question you answer, and if you have
14 guessed or speculated it will become apparent through that
15 question.

16 The stenographer will prepare a record of all the
17 questions, answers, and any objections that are taken, and a
18 transcript of the deposition will be kept Committee
19 Confidential until the commencement of the hearings, at
20 which time the Members will decide how to handle the
21 transcript--in other words, whether it will remain Committee
22 Confidential or whether it will be released for public

6

1 consumption.

2 I would advise you that when a transcript is
3 made--and one will be made as early as tomorrow--it will be
4 available in the Senate Banking offices, and you or your
5 counsel can review it by contacting Kelly Cordiss at

6
7 You will not receive a copy of the transcript.
8 If you want to review it, you will have to come to our
9 offices to review it.

10 There will be a jurat page supplied with it, and
11 your counsel can explain a jurat page if you are not
12 familiar with it, but essentially it allows you to make
13 corrections of your deposition.

14 I would advise you that if you take advantage of
15 the jurat page and make corrections and they are other than
16 spelling type corrections or minor corrections, it may
17 require you to be re-deposed; if you change an answer from a
18 'yes' to a 'no,' we may have to bring you back in.

19 That should not however deter you from making
20 such corrections.

21 Obviously you have counsel here. Would counsel
22 identify himself for the record?

1 MR. SNYDER: I am Alan Snyder, S-N-Y-D-E-R, from
2 the Law Firm of Hogan & Hartson, representing Mr. Lindsey.

3 MR. CODINHA: Mr. Snyder represents you for the
4 purposes of this deposition. Obviously as your lawyer, any
5 time you want to consult with him, you should consult with
6 him. If you require consultation that requires privacy,
7 just tell us that and we will either leave the room or
8 provide some place where you can have such a consultation.

9 We will take breaks during the deposition as
10 needed. Usually after about every hour and a half we take a
11 little break to give the stenographer a break, and to give
12 all of us a break.

13 I would also tell you that if at any time during
14 the deposition you become tired, you are unable to focus, or
15 for some other reason you need a break, just say it and we
16 will break. This is not a marathon and we want as good
17 accuracy as we can get.

18 The scope of this deposition will be strictly
19 limited to the scope of the hearings as delineated under
20 Senate Resolution 229.

21 Your counsel or other counsel may make objections
22 to the form of a question. Objections as to the form will

1 be addressed at the time they are made. I may very well ask
2 your counsel, if he objects, what about it he objects to and
3 I will attempt to rephrase the question in such a way that
4 counsel finds satisfactory.

5 However, I may be unable to do that and I may ask
6 you to answer the question as posed. You should just be
7 aware of that.

8 There is a special objection that we are using in
9 these depositions that you should be aware of.

10 It is an objection that says that says that the
11 subject matter of the question is outside the scope of
12 Senate Resolution 229.

13 In the event that anyone makes a Scope Objection
14 and that Scope Objection is not resolved on the record, the
15 question will be asked for the purposes of making a record
16 and held until the conclusion of the deposition, at which
17 time it will be brought to the attention of the Chairman,
18 Senator Riegle, or his designee for a final and binding
19 determination as to whether an answer is required.

20 If a Scope Objection is made, please do not
21 answer the question unless you have been advised that the
22 objection has been resolved.

18 I had made a preliminary inquiry a couple of days
19 ago as to whether the scope of the deposition would include
20 the subject of the handling of Mr. Foster's documents in
21 light of the fact that the Special Counsel has not completed
22 his report on that issue.

19 However--and there is always a however--Mr. Fiske
20 has been elusive in telling us--I don't say "evasive" but
21 "elusive"--in telling us exactly when his investigation will
22 be done.

1 There is a possibility that Mr. Fiske may
2 complete his investigation of the handling of the Foster
3 papers before the beginning of the hearings. In that case,
4 the Senators may request that we bring you back again to
5 examine you on that in a deposition.

6 There is also the possibility that we will
7 not bring you back to ask you about that in a
8 deposition, but that the Senators may choose to ask you at
9 the hearings about that subject, assuming Mr. Fiske has
10 clarified it.

11 So those are essentially the possibilities which
12 exist.

13 Although I like to think as a lawyer and as
14 Special Counsel to this Committee I have some control over
15 things, I am not in control of any United States Senator,
16 nor would I want to be. So I don't really know what is
17 going to happen at the hearings.

18 MR. SNYDER: Thank you for the clarification.

19 MR. CODINHA: Is there anything else?

20 MR. SNYDER: No.

21 MR. CODINHA: Good.

22

1 Whereupon,

2 BRUCE ROBERT LINDSEY

3 was called for examination in the above-entitled matter and,
4 having been first duly sworn by the Notary Public, was
5 examined and testified as follows:

6 EXAMINATION

7 BY MR. CODINHA:

8 Q Mr. Lindsey, would you tell us for the record
9 your full name?

10 A Bruce Robert Lindsey.

11 Q How do you spell your last name, sir?

12 A L-I-N-D-S-E-Y.

13 Q And what is your date of birth, sir?

14 A May 27, 1948.

15 Q What is your Social Security number?

16 A

17 Q Where do you live, sir?

18 A That's a good question. It may be my most
19 difficult question.

20 (Laughter.)

21 Currently, Washington, D.C.

22 Q And where in Washington?

1 A That makes it more difficult.

2 I do not have a place here. I am currently
3 staying at an apartment with--well, tonight--

4 (Laughter.)

5 --with Erskin Bowles, who is the Administrator of
6 the Small Business Administration.

7 Q Do you have a regular residence?

8 A Not in D.C.

9 Q But someplace?

10 A Yes, in Little Rock, Arkansas.

11 Q With whom do you live in Little Rock, Arkansas?

12 A My wife and two children.

13 Q Prior to coming here, did you talk to anyone
14 besides your counsel about your deposition?

15 A No.

16 Q You have had no conversations with anybody about
17 the subject matter of your deposition before coming here?

18 A Not the subject matter.

19 People know that I was going to be deposed. I've
20 told people I was being deposed, but not the subject matter
21 of the deposition.

22 Q Did you review any documents in preparation for

1 this deposition?

2 A Just the documents that I had turned over to the
3 Committee, or that the White House turned over to the
4 Committee, and those that the White House turned over to the
5 Special Counsel.

6 Q What documents do you recall that you reviewed?

7 A Oh, I reviewed a memo to the file that I wrote
8 after a meeting in October of 1993.

9 I reviewed my notes of that meeting from which
10 the memo to the file was written.

11 I reviewed a memo that was prepared of a press
12 inquiry I believe in February 1994 with some notes at the
13 bottom that are my notes of my conversation with Roger
14 Altman about those.

15 I looked at my file to see that I--apparently to
16 see whether I had, which I do, have a FAX from Gene Ludwig
17 with respect to a Freedom of Information request that he had
18 sent to me I believe somewhere in November or December of
19 1993.

20 Q Do you recall reviewing any other documents?

21 A No.

22 Those are the ones I reviewed.

15

1 Q In preparation for this deposition were you ever
2 shown anything which purported to be a diary of Joshua
3 Steiner?

4 A No.

5 Q Did you ever review anything purporting to be the
6 diaries of Mr. Altman?

7 A No.

8 Q With respect to other ongoing investigations,
9 have you been interviewed or given testimony to any other
10 investigative body?

11 A Yes.

12 Q Which are those--which one is that, or which are
13 those?

14 A I gave testimony to the Grand Jury in the Fiske
15 investigation.

16 I have given an interview with the FBI, and a
17 representative of the Fiske office, with respect to the
18 Foster suicide.

19 And I gave testimony to representatives of the
20 Treasury IG and OGE offices with respect to Treasury-White
21 House contacts.

22 Is that right?

16

1 MR. SNYDER: Actually, they weren't from OG.
2 They were Treasury IG people.

3 THE WITNESS: Who was the other one?

4 MR. SNYDER: Treasury IG and RTC IG.

5 THE WITNESS: Oh, that's correct.

6 That is correct. It was Treasury and RTC
7 officials. One from the IG's office, and I'm not sure where
8 the RTC person was from.

9 BY MR. CODINHA: (Resuming)

10 Q Were there any other investigative bodies that
11 you have spoken to so far?

12 MR. SNYDER: How do you define "investigative
13 body"?

14 BY MR. CODINHA: (Resuming)

15 Q Well, have you spoken to anyone from the White
16 House who is investigating this?

17 A Yes. I have spoken with individuals from the
18 counsel's office concerning this--White House Counsel's
19 office.

20 Q Have you spoken with anyone from the House of
21 Representatives?

22 A No. Tomorrow morning.

17

1 Q That was my next question: Have they made
2 arrangements? And it is tomorrow morning?

3 A Tomorrow morning.

4 Q With respect to your testimony before the Grand
5 Jury for the Independent Counsel Mr. Fiske, when was that
6 testimony given?

7 A I don't know.

8 Q With respect to your interview with Mr. Fiske's
9 office and the FBI, was that given at the same time as the
10 Grand Jury or at some other time?

11 A No. That was approximately a month ago.

12 Q Was there one interview?

13 A Yes.

14 Q Were notes taken at that interview?

15 A I assume they took notes. I took no notes.

16 Q Was your counsel with you during that interview?

17 A No.

18 Q Were you representing by counsel at that
19 interview?

20 A No.

21 Q The testimony that you gave to the Treasury IG or
22 the RTC IG, was that one interview?

18

1 A Yes.

2 Q Was that interview recorded in any way?

3 A Yes. It was a deposition.

4 Q And was a stenographic transcript of that
5 deposition prepared?

6 A Yes.

7 Q And have you received a copy of it?

8 A Yes.

9 Q Have you reviewed it?

10 A Yes.

11 Q Do you have any objection to us having a copy of
12 that?

13 A (Pause.)

14 MR. SNYDER: I think we will have to talk to you
15 about that.

16 MR. CODINHA: Just for the record, we would
17 request that we get a copy of it. We will just make that a
18 record request. We can certainly talk about how you will
19 deliver it.

20 BY MR. CODINHA: (Resuming)

21 Q With respect to the White House interview, when
22 did that occur?

1 A Two weeks ago.
 2 Q Where did the interview occur?
 3 A In a conference room at the White House.
 4 Q Who was present?
 5 A My counsel, Jane Sherbourne?
 6 MR. SNYDER: S-H-E-R-B-U-R-N-E.
 7 THE WITNESS: And Sheila?
 8 MR. SNYDER: Cheston. C-H-E-S-T-O-N, I think.
 9 BY MR. CODINHA: (Resuming)
 10 Q Was Lloyd Cutler there?
 11 A No.
 12 Q Did either Ms. Sherbourne or Ms. Cheston take
 13 notes?
 14 A Yes; I think so.
 15 Q Was a transcript taken?
 16 A No.
 17 Q Have you had an opportunity to review the notes
 18 that they took?
 19 A No.
 20 Q Did you take notes?
 21 A No.
 22 Q Were you shown documents at that interview?

1 A I believe maybe one. I think one.
 2 Q Do you recall what document it was you were
 3 shown?
 4 A I believe it was the memo to the file of my--of
 5 the October 14 meeting.
 6 Q Let me ask you: What position do you now hold
 7 with the government?
 8 A Assistant to the President, and Senior Adviser.
 9 Q When did you first take that position?
 10 A January 20th, 1993. But at that time I had an
 11 additional title.
 12 Q What was that?
 13 A Director of the Office of Presidential Personnel.
 14 Q How long did you hold the position of Director of
 15 Office of Presidential Personnel?
 16 A Basically to about Thanksgiving of 1993 the first
 17 year.
 18 Q Were you replaced in that position, or did the
 19 position cease to exist?
 20 A I was replaced first for a short time on an
 21 acting sort of basis by Phil Lader, and then by Veronica
 22 Biggins.

1 Q After, did you say, Thanksgiving of '93?

2 A Yes.

3 Q After Thanksgiving of '93, did you continue to
4 have any involvement in the Office of Presidential
5 Personnel?

6 A Yes. I still have involvement on certain
7 appointments. I am clearly involved in judicial
8 appointments, Supreme Court, Court of Appeals, District
9 Court.

10 I am still involved in U.S. Attorney and Marshall
11 appointments.

12 I am then involved in other political
13 appointments, depending upon whether or not there is
14 sometimes an issue or a question, or just someone asks
15 advice that they may want. It is not a formal, official--I
16 am formally and officially involved in most of the judicial
17 appointments. The other is in sort of an advisory role.

18 Q As Assistant to the President and Senior Adviser,
19 what are your duties and responsibilities?

20 A One, I provide general advice as requested from
21 the President. I sit in on various meetings that he
22 requests my presence at.

1 I travel with the President and act as the chief
2 of staff representative on almost all of our travel, which
3 means I sort of coordinate the trip.

4 I what has been described as 'troubleshoot'
5 various issues, some that are politically sensitive
6 involving a governor, a mayor, where they have an
7 involvement; others involving differences between various
8 Cabinet Departments or agencies to try to help resolve those
9 in a satisfactory way.

10 I deal with--and have dealt with because my
11 history with the President and the fact that I am from
12 Arkansas--with many of the issues involving his governorship
13 or issues about Arkansas that come up, or issues that come
14 up involving the campaign because I was also involved in the
15 campaign.

16 Q When you say "the campaign," you're referring to
17 the presidential campaign?

18 A Right. The presidential campaign.

19 I was also involved in other campaigns, but that
20 was the one I was referring to.

21 Q Do you have any other duties and responsibilities
22 as Assistant to the President and Senior Adviser?

1 A No.

2 Q To whom do you report in your role as Assistant
3 to the President and Senior Adviser?

4 A Both to the Chief of Staff and to the President.

5 Q In reporting to the President, do you report
6 through the Chief of Staff? Or directly to the President?

7 A Mostly through the Chief of Staff, at least to
8 the point of the Chief of Staff knowing about it. There may
9 be matters that I've dealt directly with the President on
10 without the Chief of Staff involved, but normally it is
11 through the Chief of Staff.

12 Q And the Chief of Staff has been Mr. McLarty, and
13 now Mr. Panetta?

14 A Correct.

15 Q On occasions when you have to see the President,
16 do you have to make an appointment to see him?

17 A No.

18 Q On occasions when you have to see the President,
19 would you--well, strike that. I think you've already
20 answered that.

21 Who reports to you in your role as Assistant to
22 the President and Senior Adviser?

1 A I guess technically no one. Deb Coyle,
2 C-O-Y-L-E's title is secretary to the President, but she
3 also basically serves as an assistant or a secretary to me.
4 So on an organizational chart, she would be the President's
5 secretary, but she serves in that role to me as well, and
6 therefore answers to me.

7 Q I neglected to ask you.

8 On July 16th, the Senate Banking Committee sent
9 you a letter requesting for you to bring to your deposition
10 a copy of your CV.

11 Did you happen to bring that along with you?

12 A No, I did not.

13 MR. SNYDER: Could I see that letter?

14 MR. CODINHA: Of course you would ask to see it.

15 MR. SNYDER: July 16th?

16 MR. CODINHA: I think it was July 16th.

17 MR. SNYDER: I did not receive such a letter.

18 MR. CODINHA: It is possible we missed it.

19 I would ask you, if you could, to send us a copy
20 of your curriculum vitae.

21 THE WITNESS: I don't have one, but I can prepare
22 one.

1 BY MR. CODINHA: (Resuming)

2 Q Well, do you have a one-page biography, anything
3 like that?

4 A According to the press office, no.

5 Q We would request that you prepare one simply
6 because, rather than taking your time now to run through
7 where you went to school, what your jobs have been, I think
8 it is just easier for you to do that at your convenience.

9 What we will do is we will append it to the
10 deposition.

11 MR. SNYDER: Is there anything in this July 16
12 letter I should be aware of?

13 MR. CODINHA: No. My Associate Counsel, Ms.
14 O'Neill, reminds me that we may have asked for Mr. Lindsey's
15 attendance in a separate letter. A number of people were
16 asked to come via a July 16th letter.

17 It is possible Mr. Lindsey was added in a
18 separate letter where we just directly contacted the White
19 House.

20 The only thing that it said in that letter was,
21 it had a copy of the Senate Resolution 229, and it did ask
22 people to bring a CV along simply to save time in the

1 deposition.

2 So we just ask you to bring it.

3 BY MR. CODINHA: (Resuming)

4 Q The one thing I would tell you that I always ask
5 about the CV, Mr. Lindsey, is--the sole question I ask is:
6 Is it accurate?

7 So just make sure that when you turn it over it
8 is accurate, and that will save us lots of time because
9 people will rely on it at the hearings.

10 I believe you said Ms. Coyle, in terms of
11 reportage, reports to you. Is there anyone else who reports
12 directly to you?

13 A No. Not currently.

14 MR. CODINHA: Off the record.
15 (Discussion off the record.)

16 MR. CODINHA: Let's go back on the record.

17 BY MR. CODINHA: (Resuming)

18 Q Is there anyone else who reports directly to you?

19 A No.

20 Q Are you familiar with the Office of Counsel to
21 the President?

22 A Yes.

27

1 Q Was Mr. Nussbaum counsel to the President?

2 A Yes.

3 Q And is Mr. Cutler now counsel to the President?

4 A Actually I believe Mr. Cutler is Special Counsel
5 to the President.

6 Q Does anyone hold the position of counsel to the
7 President?

8 A I don't believe so.

9 Q When Mr. Nussbaum was counsel to the President,
10 did he report to you?

11 A No.

12 Q On the hierarchy, on the White House hierarchy,
13 if there were a table of reporting, would you have been on
14 an equal level with Mr. Nussbaum? Or above, or below him?

15 A Well we were each--I'm not sure counsel to the--
16 Assistant to the President is sort of a level, and I do not
17 believe that counsel to the President also carries the title
18 of assistant, but it is an equivalent title.

19 So to that extent, as assistants to the President
20 we are on sort of an equal level.

21 There are probably functions that are almost
22 Cabinet like. I am not sure whether Bernie, for example, if

28

1 there are State of the Union Joint Sessions of Congress and
2 others, whether he as counsel is invited to sit on the Floor
3 with the Cabinet and other senior White House officials.

4 So to that extent it may be--it could be a more
5 senior role in that sense. But to the extent that it
6 reflects sort of an assistant to the President level, it
7 would be on the same level.

8 Q I am going to ask you a series of questions, and
9 a number of them are going to relate to Whitewater
10 Development Corporation or Madison Guaranty Savings & Loan
11 Association. Rather than say 'Whitewater Development
12 Corporation' and 'Madison Guaranty Savings & Loan
13 Association,' I am going to just use the terms 'Whitewater'
14 or 'Madison.'

15 But I would like you to understand that when I
16 say that, those are the entities that I am referring to.

17 Now with respect to Whitewater or Madison, when
18 did you first hear of either of those entities, if you ever
19 did?

20 MR. SNYDER: I am going to object to that
21 question. I don't understand how that question is within
22 the scope of the Senate Resolution.

29

1 MR. CODINHA: Well, let me put it this way. We
2 have gone around on this.

3 I am not going to ask any substantive questions
4 before January 20th, 1993; but what we do need to determine
5 is whether the first time he heard this was after or before
6 January--the only question I am going to ask is when he
7 first heard of them, which will then context possibly if he
8 hears after January 20th, 1993.

9 So the only question I am going to ask is this
10 preliminary question.

11 If you want, we can do it the other way.

12 MR. SNYDER: If the question is whether he had
13 heard of Whitewater before January 1993, that is a 'yes/no'
14 question and I would withdraw my objection.

15 BY MR. CODINHA: (Resuming)

16 Q Fine.

17 Did you hear about Whitewater before January
18 20th, 1993?

19 A Yes.

20 Q Did you know what it was?

21 A Yes.

22 Q Did you hear about Madison before January 20th,

30

1 1993?

2 A Yes.

3 Q Did you know what it was?

4 A Yes.

5 Q Now my questions are going to be all after
6 January 20th, 1993.

7 When was the first time after January 20th, 1993,
8 that you heard of either Whitewater or Madison?

9 MR. SNYDER: I object that that is outside the
10 scope of the Senate Resolution. We really do not understand
11 that the Resolution calls for an investigation of issues
12 relating to Whitewater or Madison Guaranty, but rather White
13 House-Treasury contacts that might relate to those subjects.

14 I would object to any questions at this time that
15 seek to ask about White House or Madison more generally. My
16 understanding is that the Special Counsel has specifically
17 requested that issues relating to Whitewater and Madison
18 which he is investigating not be inquired about by the
19 Senate.

20 I think it would be inappropriate for us to cover
21 them today.

22 MR. CODINHA: Mr. Snyder, I respect your

31

1 objection. What I will say is: If Mr. Lindsey's response
 2 is that the first time he heard it was in February--I am
 3 giving you a hypothetical--I will then ask him whether that
 4 related to a contact between the White House and Treasury.

5 I am not going to ask him any questions about the
 6 underlying contact, but I do need to understand if this was
 7 a contact.

8 I mean, I can go day by day if you want, or I can
 9 go month by month, but I am trying to frame this issue
 10 narrowly. Believe me, I don't want to go into the
 11 underlying issues.

12 I understand your scope objection.

13 Do you understand what I am saying?

14 (The witness and counsel confer.)

15 MR. SNYDER: Mr. Codinha, there were numerous
 16 references to Whitewater and Madison Guaranty in the press
 17 both before and after the election, and Mr. Lindsey clearly
 18 heard many references to Whitewater; and in fact received
 19 press inquiries about Whitewater both before and after the
 20 election.

21 So I think it is not going to be productive to
 22 take day by day which day he heard some reference from some

32

1 source about Whitewater, and I would respectfully suggest
 2 that if you are focusing on the White House-Treasury
 3 contacts regarding Whitewater, that you might want to just
 4 ask questions about the first time he ever heard of or had
 5 any contacts with Treasury on the subject.

6 MR. CODINHA: All right. Well, let me see if I
 7 can rephrase it.

8 BY MR. CODINHA: (Resuming)

9 Q When was the first time you had any contact or
 10 conversation with any government official outside of the
 11 White House about Madison or Whitewater?

12 A I would guess October 14, 1993.

13 Q And what contact or conversation did you have
 14 with a government official outside the White House on
 15 October 14th, 1993?

16 A I was invited to a meeting in the counsel's
 17 office attended by Jean Hanson, John Steiner, and Jack
 18 DeVore of the Treasury Department, as well as Neil
 19 Eggleston, Bernie Nussbaum, Mark Gearan, and myself from the
 20 White House.

21 Q Prior to the October 14, 1993, contact, did
 22 you learn about a contact that had occurred on September

1 29th?

2 A I don't know if I learned of a September 29th
3 contact.

4 I was told by either Mr. Nussbaum, or more likely
5 Mr. Sloan, Cliff Sloan, of the counsel's office, that there
6 had been inquiries with respect to what was described I
7 guess as RTC referrals with respect to Madison.

8 Q When did you hear that, if you know?

9 A Again, I now know that Ms. Hanson and Mr.
10 Nussbaum met on the 29th. Obviously it was after that. But
11 whether or not it was the 30th--I don't know, are there 30
12 or 31 days--or October 1st, I don't remember. It was
13 sometime after obviously the 29th discussion; but whether it
14 was that day, the next day, or the day after, I don't know.

15 It certainly wasn't--it was just information that
16 was given to me. It wasn't 'there was a meeting.' It was
17 just--so I don't have any way to relate it to a meeting.

18 Q Is it accurate to say you believe it was shortly
19 after the 29th?

20 A Yes. No, I think that's fair.

21 Q And what do you believe the source of the
22 information that the meeting occurred was?

1 A I'm sorry? What do you mean by that?

2 Q Who do you believe was the source of the
3 information for the meeting?

4 A To me?

5 Q Yes.

6 A I believe Cliff Sloan came to me.

7 Q What is the reason you believe it was Cliff Sloan
8 that came to you?

9 A Because I have a memory of him coming to me and
10 saying 'Bernie wanted me to tell you this.' And so
11 therefore I do not believe it was Mr. Nussbaum that came. I
12 believe it was Cliff Sloan that came and indicated to me
13 that Bernie wanted me to tell you this.

14 Q And when Mr. Sloan told you that Bernie wanted
15 him to tell you something, what is that Bernie wanted to
16 tell you?

17 A That there had been inquiries at the Treasury
18 Department I believe about some RTC referrals with respect
19 to Madison, and that either the Clintons or the 1985, I
20 think it was told to me, 1985 Clinton Committee were
21 mentioned in the referrals.

22 Q Where did this conversation take place, if you

1 can recall?

2 A In my office.

3 Q How long did the conversation last?

4 A Probably not much longer than my just relating
5 that information to you.

6 I mean, it may have been--Cliff Sloan and I were
7 involved in the Gays in the Military issue during this
8 particular time. So I had other conversations, or various
9 conversations with Cliff about where we were with respect to
10 that issue.

11 I don't know if it was on the tail end of a
12 meeting, or the beginning of a meeting on another subject,
13 so I cannot tell you that the entire meeting took that
14 length of time. But our discussion didn't take much more
15 than his simply relating to me that amount of information.

16 Q Did Mr. Sloan tell you the source of his
17 information?

18 A If he did, I don't remember.

19 Q Did Mr. Sloan mention Mr. Altman at that time?

20 A No.

21 Q Did Mr. Sloan mention Ms. Hanson at that time, if
22 you can recall?

1 A I don't recall. Again, since I know that Ms.
2 Hanson had the meeting with Mr. Nussbaum, I don't have any
3 specific memory of any names being mentioned, but he could
4 have.

5 Q Have you now told us as much as you can recall
6 about what Mr. Sloan told you at that point?

7 A Yes. I believe that's all that Cliff knew. So,
8 you know, yes. Basically there had been inquiries to
9 Treasury about RTC referrals on Madison that either mention
10 the Clintons, or the Clinton for Governor Committee. But
11 beyond that, you know, I don't think he had any additional
12 information.

13 I may have said: If you hear anything more, let
14 me know.

15 Q Did you ask Mr. Sloan at that time why inquiries
16 were coming to Treasury about RTC matters?

17 A Oh, I had the impression they were press
18 inquiries, but I don't think I asked him that, no.

19 Q Did you understand at that time--which was
20 shortly after September 29th--that the RTC was a separate
21 agency from Treasury?

22 A Yes, I think I knew that.

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1 I thought--well, I thought there was some sort of
2 connection between the two, I think, but I knew it was
3 independent and separate.

4 Q When Mr. Sloan told you about RTC referrals, what
5 did you understand RTC referrals to mean?

6 A Well again, because this came up about the same
7 time, and again I don't quite know how to put it in time,
8 but there was an article in an Arkansas newspaper, The
9 Arkansas time, that related how in September or October of
10 1992 there had been RTC referrals to the U.S. Attorney's
11 office in Little Rock basically targeting--that may not be
12 the right word--involving Jim Guy Tucker who was then the
13 acting governor in '92, the acting governor of Arkansas, in
14 which the U.S. Attorney's Office believed that they were
15 politically motivated, the referrals, and the article
16 indicated they did not act upon it.

17 So I mean I don't know--again, I don't know
18 whether I knew RTC did not have criminal jurisdiction and
19 this was the way they did it, or not.

20 I generally I think knew that the RTC at times
21 sent matters to the U.S. Attorney's office for further
22 processing if they believed there was some basis for further

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1 action.

2 Q So is it accurate to say that when you heard the
3 term 'RTC' referrals, you believe those to refer to criminal
4 matters?

5 A Yes.

6 Q And you understood that they concerned Madison?

7 A Correct.

8 Q And you understood that it involved either the
9 Clintons or the 1985 Clinton Campaign Committee?

10 A "Involved" would not be the word I would use.

11 Q "Referred to"? "Use"? What term would you cite?

12 A That they were mentioned--which again to me was
13 not unusual. This was an issue. The Clintons' relationship
14 with Jim McDougal was an issue, and the Whitewater
15 Development Company was an issue in the 1992 campaign.

16 Jeff Gerth had written a story in The New York
17 Times about it. It had been a matter of discussion. So I
18 did not consider it to be strange or unusual that if there
19 were referrals or any documents with respect to Madison,
20 that the Clintons--I did not understand at the time a
21 reference to the Clinton for Governor Committee. I later
22 understood that--but a reference to the Clintons would not

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1 have been surprising to me simply because of the press and
 2 the issues involved and the references to the Clintons and
 3 the McDougals going back to the campaign.

4 Q You listed for us at the beginning of your
 5 deposition five areas of your duties and responsibilities.
 6 Of those duties, one of them was giving general advice as
 7 requested by the President.

8 Was this something that you had been asked to
 9 give general advice as requested to the President?

10 A No. This was closer to dealing with matters
 11 involving Arkansas, the campaign, his background as governor
 12 and others because of my relationship to him and my
 13 knowledge of Arkansas and Arkansas politics and the players
 14 and the people involved. Because of that, and because I was
 15 involved in the campaign and went through the issue in the
 16 campaign about McDougal and Governor Clinton, then-Governor
 17 Clinton, I tended to get these sort of questions from the
 18 press office from anyone who, you know, had inquires about
 19 something that dealt with this. Those tended to come to me
 20 to be responded to.

21 So it was not general advice to the President.

22 There was no "advice" involved in this. This was simply, if

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1 questions like that came to the White House, most likely
 2 they would come either directly to me because people who
 3 would raise the issues in the press would know that I was a
 4 person who dealt with that, or our press office or someone
 5 else in the White House who got the inquiry would usually
 6 come to me with it because I dealt with it.

7 Q One of the descriptions of your duties and
 8 responsibilities that you gave us at the beginning of this
 9 deposition was as troubleshooter to various issues,
 10 particularly ones that were politically sensitive.

11 Did you understand that Mr. Sloan was coming to
 12 you in your role as a troubleshooter for various issues,
 13 particularly ones that would be politically sensitive?

14 A No. And the 'political sensitivity' I meant
 15 there was: if there was a governor who felt strongly about
 16 an issue and the Administration or the Federal Government
 17 was taking a position contrary to that that the governor
 18 had, or it could be the mayor of a large city--or it doesn't
 19 necessarily have to be a large city--that if there were
 20 political issues involved not only in the policy range; you
 21 weren't just deciding what was good energy policy or
 22 environmental policy, but in dealing with environmental

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1 policy, or energy policy, or whatever policy, you ended up
 2 getting into disagreements with the governors, and mayors,
 3 and others--Senators--you know, then oftentimes, because
 4 policy and politics intersect, I would get involved in those
 5 to try to see that, whatever we did, we would try to do it
 6 in a way that would not create political as well as other
 7 problems.

8 So again basically I was being asked--I felt I
 9 was being given this information because I was sort of the
 10 person in the White House at a senior level who dealt with
 11 issues, that dealt with the President's past in Arkansas,
 12 that dealt with Arkansas issues, and so forth.

13 And mostly because I was a person that responded
 14 to the press with respect to that.

15 Q When Mr. Sloan gave you the information you just
 16 referred to and it mentioned RTC referrals, and you believed
 17 they were to the Justice Department and they mentioned the
 18 Clintons, did that set off any internal alarms for you?

19 A No.

20 Q Did it raise any internal concerns for you?

21 A No.

22 Q As a result of hearing that, what if anything did

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1 you instruct Mr. Sloan to do?

2 A If I instructed him to do anything, it was: If
 3 you hear anything more, let me know.

4 Q As a result of getting the information that Mr.
 5 Sloan had imparted to you, did you ask Mr. Sloan to obtain
 6 copies of the referrals?

7 A No.

8 Q Did you ask him to chase down the information and
 9 see whether it was true?

10 A No.

11 Q Did you ask Mr. Nussbaum to get copies of the
 12 referrals?

13 A No.

14 Q Did you ask Mr. Nussbaum to determine whether
 15 they were true?

16 A No.

17 Q Did you care whether it was true that referrals
 18 had been made to the Justice Department which mentioned the
 19 Clintons?

20 A Well, it either was true--it either happened or
 21 it didn't happen. My only concern would be, you know, press
 22 stories and how it would be portrayed.

1 I was not concerned with the truth of the
2 accusation. There was nothing I could do or wouldn't expect
3 to do about that.

4 I did want to know if there were press--if we
5 were going to be asked about it, I wanted to know that--to
6 be prepared to respond, but only with respect to what the
7 information was that, you know, was out there.

8 Q Would you be the person the press would ask about
9 something like this?

10 A If they didn't ask me directly, I would be the
11 person that someone in the White House might come to and
12 say, you know, the press has asked us about X. Do you know
13 anything about it?

14 Q Therefore, having the information that Mr. Sloan
15 had given you that he had heard there would be inquiries
16 about this, did you think you needed to find out whether the
17 inquiries were true? Or, strike that, whether the
18 underlying fact of the referrals being made were true?

19 A No.

20 Again, I probably didn't think that was
21 appropriate. I simply, you know, if I got a question, it
22 was helpful to me to know that this information to the press

1 was asking these questions, because if it came to the White
2 House it would come to me.

3 I mean, again, my response to the press, most
4 likely, based on the information I had, would be we have no
5 comment. We have no knowledge. So that, you know, there
6 was no--and frankly, that would probably be my preferred
7 response, would be to say we have no knowledge about that.

8 But again, because the inquiry might come, I
9 would usually be informed because that inquiry would come to
10 me.

11 Q If you weren't going to seek any information
12 about it anyway, then why would it matter that anybody even
13 told you about it if you were just going to say we don't
14 have any comment?

15 A Well, it may not. Again, you are always better
16 off if you know the press is out there stirring around about
17 something to know what they're stirring around about. So
18 again, so that when the question comes to you, if a reporter
19 calls you about it, you don't say something inadvertent
20 like, oh, my God, or something, you know; so that you're
21 prepared when you get those inquiries.

22 So I mean again it is not, it is just more so

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1 probably that you will not say something by accident that
2 will then be put into the press, but that you will know that
3 this is what the press is out there doing. We do that all
4 the time.

5 We have meetings all the time to let other people
6 know what they're hearing in the press so that we can be
7 prepared to respond. "Prepared" does not necessarily mean
8 gathering information; it is just simply to have that
9 background, so that if the inquiry comes to you you have
10 some context for the inquiry.

11 It may be that you will not return a call. I
12 mean, it can be as clear as, if you know what a reporter is
13 calling about and you do not want to comment on it for
14 whatever reason, it is often easier to simply not return
15 that call from that reporter. But if you don't know what
16 that reporter is calling about, you may call them up and
17 engage in a conversation with them and put yourself in the
18 middle of it when you don't want to be in the middle of it.

19 So, no, there was no--I didn't want to know the
20 facts. I simply, you know--I don't even know I wanted to
21 know anything. I think somebody just felt like I should
22 know this because if inquiries came to the White House they

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1 would come to me.

2 Q Was this the first time, in the fall--and I am
3 using the September date as a fall date--that you had heard
4 about any potential RTC referrals, criminal referrals, which
5 mentioned the Clintons for the '85 campaign?

6 MR. SNYDER: You're referring now to the--

7 MR. CODINHA: His conversation--

8 MR. SNYDER: --the '93 referral? Or are you
9 including in that question the '92 referral?

10 MR. CODINHA: Well, I specified the fall of '93.

11 THE WITNESS: At approximately the same time this
12 article by the Arkansas Times came out that made reference
13 to the '92 referral--and again, I don't know; there was no
14 indication in the article that the '92 referral mentioned
15 the Clintons--but it did mention that the RTC had referred
16 the matter to the Justice Department in '92; and that the
17 Republican U.S. Attorney, believing that politics was
18 involved in the referral, took no action with respect to it.

19 BY MR. CODINHA: (Resuming)

20 Q Well the Arkansas Times--Is it the Arkansas
21 Times?

22 A Yes.

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1 Q The Arkansas Times article you just cited didn't
2 mention--although it mentioned a criminal referral, it
3 didn't mention the Clintons. Did it mention Madison?

4 A Yes.

5 It was clearly a Madison referral.

6 Q I'm sorry. That is a piece I didn't understand.

7 A Yes. The RTC '92 referral was clearly a Madison
8 referral that also involved Jim Guy Tucker, who is acting
9 governor. But the story did not reflect whether or not the
10 Clintons were mentioned or not mentioned in the referral.

11 The article focused on the Madison referral and
12 the reference or the involvement of Jim Guy Tucker.

13 Q So the fall referral of '93, the September of '93
14 time frame that we're talking about, was that the first time
15 that you had heard of an RTC referral or referrals which
16 mentioned the Clintons?

17 A Yes.

18 Q As a result of hearing that information--

19 A Let me say, I don't even remember whether Cliff
20 said it mentioned the Clintons, or mentioned the Clinton for
21 Governor Committee. It mentioned one or the other. Again,
22 at different times over this time--I don't know to today

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1 whether or not the referrals mention the Clintons or Clinton
2 for Governor, but at various times some press reports say
3 that the Clintons are mentioned. Some say it is the Clinton
4 for Governor Committee. Some say both.

5 I cannot tell you which one Cliff told me that
6 day because it is hard to compartmentalize what I knew when,
7 but either Clinton or Clinton for Governor Committee was the
8 first time I had heard that reference.

9 Q Following your receipt of this information from
10 Mr. Sloan, did you report that information to the chief of
11 staff?

12 A No.

13 Q Did you, following your receipt of this
14 information from Mr. Sloan, did you report this information
15 to the President?

16 A No.

17 Q Was there a reason you didn't report it to the
18 chief of staff?

19 A I didn't think it was appropriate.

20 I didn't know enough.

21 You know, I didn't have anything to report.

22 It didn't occur to me.

1 Q It just didn't occur?

2 A It didn't seem like, again, I thought I was being
3 given the information because, if there was an inquiry
4 directly to the White House about it, it would come to me
5 and I just stored it for that purpose.

6 Q Was there a reason you didn't tell the President
7 about it?

8 A The same reason. There was no basis to. I
9 didn't have enough information. I didn't know enough. I
10 didn't know anything, you know. It just didn't seem
11 appropriate.

12 Q Did it occur to you that it was something that
13 the chief of staff might want to know that that piece of
14 information was potentially out there?

15 Let me withdraw the question.

16 The chief of staff at this time was Mr. McLarty,
17 was it not?

18 A Correct.

19 Q And Mr. McLarty gave press availability, and he
20 took interviews and appeared on talk shows on occasion, did
21 he not?

22 A Not that often.

1 Q But he did on occasion?

2 A Yes.

3 Q Was there a reason you didn't think it was
4 appropriate to give him an advance warning, just as you had
5 gotten advance warning, that there might be a press inquiry
6 about that?

7 A No.

8 Q The President of the United States gave press
9 availability about that time, and he appeared I think, I had
10 certainly seen him on, if not talk shows, with reporters
11 interviewing him. Was there a reason you didn't think it
12 was appropriate to advise the President of the United States
13 so he could be able to respond with something short of 'oh,
14 my God,' as you said, a surprise response?

15 A No. Again at the level it was, again at some
16 point where you believe that information is out there and a
17 sufficient number of reporters have it, that that becomes
18 important.

19 I don't believe that--I don't know if I gave much
20 reflection at all to this at the time, you know, that this
21 did not seem to be to that level that there were, you know,
22 that many people stirring around, or that much information,

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1 or that it seemed to me to warrant either the chief of staff
2 or the President's involvement.

3 Q At some point shortly after this conversation,
4 within a week or two after this conversation took place, did
5 you get more information from Mr. Sloan or from someone else
6 in the White House counsel's office about the subject of
7 Madison or Whitewater?

8 A Yes.

9 Q When did that take place?

10 A Again I don't know the day. At some point after
11 this, Cliff Sloan came back to me, probably with Neil
12 Eggleston, and said there had been other inquiries, and
13 related to me what those inquiries were.

14 Q Do you recall when that was?

15 A No.

16 It was a short time after this, but I don't know
17 whether it was two days later, or a week later.

18 Q Do you recall receiving a memorandum with
19 reference to that?

20 A No, I don't think so.

21 Q Let me show you X000911.

22 MR. CODINHA: Mr. Snyder, for your own

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1 information, we are not marking exhibits particularly in
2 this deposition. What we are doing is referring to the
3 Bates Stamp number we've received.

4 (Handing document to the witness.)

5 THE WITNESS: I don't remember that.

6 I mean, again, I remember talking to Cliff and to
7 Neil, but I don't remember the memo.

8 BY MR. CODINHA: (Resuming)

9 Q Looking at this memo X000911, does that help you
10 to fix in time when you had the conversation with Mr. Sloan
11 and Mr. Eggleston?

12 A Well again clearly it was the week before October
13 7th, because the first sentence says "with regard to the
14 subject that Neil and I spoke to you about one night last
15 week, we have some additional information".

16 So clearly it had to be--I don't know if the 7th
17 is a Monday or what day of the week the 7th is, but clearly
18 it was the week before.

19 Q You indicated that when you spoke to Mr. Sloan
20 you believed that he gave you the message that there was
21 something Mr. Nussbaum wanted you to know.

22 Was there a separate meeting where Mr. Sloan and

1 Mr. Eggleston met with you?

2 A Yes.

3 Q Was that after the original Sloan meeting?

4 A Yes. It had to be, yes.

5 Q When was that?

6 A Again I think that is probably what this is
7 referring to, because I do not remember Neil being at that
8 first meeting. But I can't give you a date.

9 Q In the second meeting was the subject Whitewater
10 and Madison?

11 A The subject was, yes, additional press inquiries
12 about Madison. I don't know if they were about Whitewater,
13 but about Madison.

14 Q And did they refer to the RTC criminal referrals?

15 A Right. Right. That was press inquiries about
16 that, yes.

17 Q And where did that conversation take place?

18 A I believe in my office.

19 Q Was it by appointment? Or was it by happenstance
20 that they came into your office?

21 A Again I believe it was by happenstance, that they
22 just dropped by and said, do you have a few seconds, and

1 came in.

2 Q What do you recall the discussions being at that
3 time?

4 A In the meeting I remember they quoted to me
5 language from something called The Early Bird. I think they
6 had it written down because I wrote down what they said.
7 They were just, again, giving me information about inquiries
8 that had been made by the press with respect to this.

9 Q How long did this meeting last?

10 A Again, I would think less than five minutes.

11 Q When they told you they had information from The
12 Early Bird, did that mean anything to you?

13 A I asked them I think what that was.

14 Q What did they tell you The Early Bird was?

15 A They told me that it was a publication put out by
16 the RTC in which various press inquiries were written down
17 and then distributed to various departments and agencies
18 within the RTC.

19 Q Did they have a copy of The Early Bird?

20 A No, I didn't--I don't know the answer to that.
21 They did not show me a copy of it.

22 Q So you don't recall seeing a copy of The Early

1 Bird at that time?

2 A No.

3 Q But you did understand that that was an RTC
4 internal publication?

5 A Yes.

6 Q Did you ask them how they had gotten information
7 about an RTC internal publication?

8 A No.

9 Q Did you in your own mind, did you wonder how they
10 had gotten information that was an RTC internal publication?

11 A No. I had no sense that this document was a
12 secret document. I had a sense that it was a document that
13 was widely distributed at the RTC.

14 I later had a conversation with Jean Hanson at
15 this October 14th meeting about, it seems to me like it was
16 sort of republishing rumor.

17 And she explained--I'm getting ahead of myself,
18 but she explained to me then that it served much the same
19 purpose as I'm telling you, you know, as to why people would
20 come to me and give me information; that the purpose of it
21 was that oftentimes reporters will call a series of people
22 and ask them sometimes discrete questions that, if you

1 understand the context of the questions you will understand
2 where they're going and that the purpose of this was sort of
3 to alert various departments and agencies at the RTC that a
4 particular reporter was pursuing a particular line so that
5 they would--if they got an inquiry about it, they could so
6 the same thing I'm telling you.

7 They would either know what the reporter was
8 driving toward, or not return the call if they didn't want
9 to be engaged in it, or whatever.

10 But at the time I knew that it was an internal
11 document; I didn't understand the exact purpose of it. But
12 I did understand that it was a document that was distributed
13 to various people and departments at the RTC.

14 Q Who did the talking at the meeting, if you
15 recall?

16 A I think both of them.

17 Q And did both of them have independent
18 information? Or were they talking about the same thing?

19 A I don't have any sense of that.

20 I mean, I didn't have a sense that there was a
21 division of labor. But I don't know that as a fact. They
22 were both talking about the same subject matter.

1 I had a sense they were both familiar with what
2 each other was talking about.

3 Q Did you have a sense at that time that Mr.
4 Eggleston was familiar with the RTC criminal referrals which
5 had mentioned the Clintons, or the Clinton Campaign?

6 MR. SNYDER: Personally, as opposed to being
7 familiar with what the press was saying about it?

8 BY MR. CODINHA: (Resuming)

9 Q Yes.

10 A I never had a sense that anybody had any
11 knowledge other than these press inquiries about any of
12 this.

13 He was familiar with the inquiries, but I had no
14 sense that anybody had any, you know, factual knowledge as
15 to the truth of the inquiries.

16 Q As a result of that conversation, did you get any
17 more information at that second conversation that there was
18 a discussion of The RTC Early Bird than you had at the first
19 conversation with Mr. Sloan--

20 A Yes--

21 Q --except that it was in The RTC Early Bird?

22 A No, no, no. I think there were additional facts

1 that were--or I say 'facts,' I don't know they were facts--
2 additional details that were relayed.

3 Q What were the additional details that were
4 relayed, if you recall?

5 A Well from memory I can't recall.

6 Q Do you have a document that would assist you?

7 A Yes.

8 Q What is that document?

9 Does it have a number?

10 MR. SNYDER: Yes.

11 BY MR. CODINHA: (Resuming)

12 Q Is that X001175?

13 A Yes.

14 Q And 76?

15 A Right.

16 Q Well just for our own information since it has
17 been referred to, what is X001175 and 76?

18 A It is notes that I took during this conversation.

19 Q And that is during the first conversation you had
20 with Neil Eggleston and Cliff Sloan?

21 A Yes.

22 Well, I can't tell you that. I don't remember

1 multiple conversations with them.

2 Q Okay.

3 A I understand that. But at the time, this is the
4 only sort of conversation I remember. Whether it was the
5 first or the second, I don't know.

6 Q Is it your practice to take notes on stationery
7 that says White House, Washington?

8 A This is a note pad. I sometimes take notes on a
9 note like this. I sometimes, you know, if you saw my desk,
10 it is whatever is the first document I can grab. I mean, I
11 may take it on the back of some other document and then
12 figure out how I am going to separate the two.

13 But anyway, there is no significance to the fact
14 that it is on this particular document as opposed to a
15 different document.

16 Q So you had this conversation and you made some
17 notes. Can you read your notes?

18 A Yes. Sometimes.

19 Q I am going to ask you to read it, because I have
20 a horrible copy.

21 A It says at the top "Conversation". The next
22 thing is 'with,' a "w/ Neil/Cliff". Then underneath that,

1 "Sue Schmidt/Washington Post--asks for RTC investigator's
2 telephone #."

3 Then underneath that, "RTC Early Bird pursuing
4 Rose Law Firm's alleged undisclosed" the next word is
5 "conflict of interest, internal RTC sources suggest" --I
6 can't read that--the next line is just lost. I'm going to
7 have to...

8 (The witness looks at another document.)

9 "...Rose Law Firm's members, friends, and loans
10 to insolvent S&Ls."

11 I'll read that whole deal again for you if you
12 want: "RTC 'Early Bird' pursuing Rose Law Firm's alleged
13 undisclosed conflict of interest. Internal RTC sources
14 suggest Rose Law Firm's members, friends, and loans to
15 insolvent S&Ls."

16 That I took to be a quote that they were reading
17 me from The Early Bird.

18 Then it says "RTC criminal referral-9."

19 Then on the next page, which may be the back, I
20 don't know:

21 "Nine referrals--allegation. JGT" which is the
22 initials of Jim Guy Tucker "diversion of funds. Senator

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1 Fulbright, peacock, McDougal 1985 Clinton Committee."

2 BY MR. CODINHA: (Resuming)

3 Q Then on the side of that document?

4 A On the side of that document it reads:

5 "Madison/Frost/FDIC/FSLIC."

6 Then underneath that there's "D&O" which I assume
7 was directors and officers, and underneath that,

8 "professional"

9 And then under "Frost" it has "accountant,
10 malpractice."

11 And under FDIC/FSLIC it has Rick Donnelan, Rose
12 Law Firm.

13 And then sort of in bracket it has [Memphis
14 firm]--not in brackets, excuse me, in what I doodled and
15 made a box-around, it says "Memphis firm."

16 Q Okay. Turning your attention first to the
17 information you just read that is on the side of document
18 X001175, what is that referring to?

19 A I think that was trying to figure out what this
20 reference to alleged undisclosed conflicts of interest, Rose
21 Law Firm members, friends, and loans to institution--I
22 think, and I have no clear memory of this, that we were

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1 trying to figure out what in the world that reference in The
2 Early Bird meant.

3 The history of this is, you know, that Madison at
4 one time sued Frost. They were represented by a Memphis law
5 firm. That the Memphis law firm had a conflict of interest
6 of some sort, and that the Rose law firm was brought into
7 the litigation, and that the matter was ultimately settled
8 with Frost, which is an accounting firm.

9 Again, I have no clear memory of why we discussed
10 that or what the meaning of all that was, but I think it was
11 trying to somehow figure out just from the words that they
12 had read to me from The Early Bird what in the world that
13 alleged undisclosed conflicts of interest, Rose law firm,
14 members, friends, and loans to insolvent S&L, what those
15 words meant.

16 Q The information that you wrote on the side of
17 X001175, was that information you obtained from Mr. Sloan
18 and Mr. Eggleston?

19 A I don't know if I obtained it from them, or if I
20 was telling them. It was a discussion we were having. My
21 sense is--well, I don't have any idea whether they gave me
22 that or I was telling them, what in the world could this

1 mean? The only thing I--you know, that I can make any sense
2 of this is that it might have some reference to, you know,
3 Madison suing Frost, and the Memphis law firm being
4 disqualified or determining that they had a conflict and
5 bringing in the Rose law firm.

6 But again, I don't have any way of saying that
7 they told me that, or I told them that.

8 Q And how long did this conversation or meeting
9 last?

10 A I have no idea. My guess is probably five
11 minutes or less.

12 Q When it was completed, when the meeting ended,
13 did you assign either Mr. Sloan or Mr. Eggleston any task
14 with respect to the information they had given you?

15 A No.

16 Q Did you tell them to report the information to
17 Mr. Nussbaum?

18 A No. I think I assumed that--No.

19 Q Did you believe that Mr. Nussbaum already knew
20 the information?

21 A I assumed, yes, that the counsel's office knew
22 it, and that Bernie Nussbaum is counsel knew it, but that is

1 an assumption. I do not know if that is true or not.

2 Q Did you report any of this information to the
3 Chief of Staff of the White House so that he could be
4 informed?

5 A No.

6 Q Did you report any of this information to the
7 President of the United States?

8 A Not this information, no.

9 Q Following this conversation, do you recall
10 getting X000911?

11 A No.

12 And again, I don't know whether this was the
13 information they say is the additional information, or if
14 this is the information that preceded that memo.

15 I don't remember two conversations, so therefore
16 I don't know whether this is the first or the second. I
17 could well have had two, but I don't remember whether this
18 would be the first or the second, if in fact I did have two.

19 Q This memorandum, X000911 is a memorandum that
20 says "For: Bruce Lindsey; From: Cliff Sloan" and it is
21 dated October 7th, 1993. It says:

22 "With regard to the subject that Neil Eggleston

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1 and I spoke to you about one night last week, we have some
 2 additional information that we would like to give you in a
 3 brief update. Let us know any convenient time for you today
 4 or tomorrow. It shouldn't take more than a few minutes."

5 Does Mr. Sloan usually send you memorandums?

6 A No.

7 Q Would it be unusual for you to get a memorandum
 8 from Mr. Sloan?

9 A Well, not--well, let me back up. Yes, he sends
 10 me memorandums all the time. Usually they deal with the
 11 substance of an issue. It is usual that if he wants to see
 12 me that he may just stop by and say to Deb or to me, "do you
 13 have a few seconds?"

14 I don't know whether or not he had tried to do
 15 that and I had been busy or out, but I don't remember
 16 receiving that memo, but I certainly don't remember
 17 receiving a lot of memos from him asking for meetings. I do
 18 receive a lot of memos, or copies of a lot of memos from him
 19 with respect to whatever matters he is dealing with if I am
 20 involved with him, as well.

21 Q With respect to the memo X000911, is it fair to
 22 say that that is a cryptic memo?

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1 A Well, it is give lines.

2 Cryptic in what sense? Short?

3 Q Well, it is cryptic in that it is short, and it
 4 is cryptic in that no one would know from reading it what in
 5 the world it refers to.

6 A I guess you can characterize it like that. I
 7 don't know.

8 Q Well, by looking at that memorandum, is there
 9 anything on there which suggests what that memorandum refers
 10 to?

11 A No.

12 Q Is it unusual for you to receive memorandums from
 13 Mr. Sloan that don't tell you what they're referring to?

14 A Well, again, it is unusual for me to receive the
 15 memo asking for a meeting. The memos I have normally
 16 received from Cliff, or from Neil for that matter, usually
 17 have long discussions about policy options and policy
 18 discussions.

19 So, yeah, since I didn't get many memos, period,
 20 of this nature from him, I don't know if that's the way he
 21 does them or doesn't do them. So I have nothing to compare
 22 it to.

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1 Q As far as you recall, you don't remember, as you
2 sit here today, having a second meeting with Mr. Sloan and
3 Mr. Eggleston?

4 A No. I remember meeting Cliff. I remember
5 meeting with Cliff and Neil. I do not remember multiple
6 meetings with Cliff and Neil, although it's certainly
7 possible.

8 Q After the meeting you remember with Cliff and
9 Neil, what was your next contact with respect to the subject
10 of Madison or Whitewater involving government officials?

11 MR. SNYDER: Involving Treasury officials?

12 BY MR. CODINHA: (Resuming)

13 Q Involving Treasury officials.

14 A The October 14 meeting.

15 Q Did you receive any information between the
16 meeting you have just described with Mr. Eggleston and Mr.
17 Sloan and the October 14th meeting that dealt with
18 information from the RTC or the Treasury Department?

19 A Well, again I may have had more than one meeting
20 with Mr. Sloan and Mr. Eggleston.

21 I received information from non-government
22 sources about press inquiries, but again I don't want to

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1 refer to this as 'if this is the first, then there may have
2 been a second.'

3 You know, if they believe they had more than one
4 conversation with me, I certainly wouldn't disagree with
5 that. So if you say from this one to the 14th, then there
6 may have been the second one in there.

7 If this was the second, then I don't remember any
8 from any governmental employee either in the White House or
9 outside the White House, or in another agency before the
10 14th meeting.

11 Q I am not playing 'gotcha' at this point.

12 A Later are we going to play 'gotcha'?

13 (Laughter.)

14 BY MR. CODINHA: (Resuming)

15 Q I think I understand what you are saying.

16 Basically if I understand you correctly you are
17 saying you can only remember one meeting. So if there was
18 another one, you just can't remember it?

19 A That's right.

20 So if this was the first, there could have been a
21 second before the 14th meeting. So to say did you have any
22 meetings between this meeting and the 14th meeting, not that

1 I recall but clearly, you know, if Neil and Cliff say that
 2 they met with me on more than one occasion, if the note
 3 reflects that they at least tried to meet with me on more
 4 than one occasion, that may well be the case.

5 Q The document that we have been referring to, your
 6 notes marked X0001175 and 1176, do you know what happened to
 7 those notes after you made them?

8 A They sat on my desk.

9 Q And what do you do with them after you--

10 A You need to come see my desk.

11 (Laughter.)

12 Nothing. I mean, you know, I have just various
 13 notes in places. You know, my guess is that when we got an
 14 inquiry from the Special Counsel's office that I started
 15 going through everything on my desk and found them. They
 16 didn't go any place in particular between then and now.

17 Q Did you keep a file, for instance a Whitewater or
 18 Madison file?

19 A Not at that time.

20 I mean, later when this all heated up, I would
 21 have kept a Whitewater file with background. And again I
 22 don't know whether at some point, but for awhile at the time

1 it would have just had to sit on my desk because there
 2 wouldn't have been any official place or appropriate place
 3 to put them.

4 Again, at some point I may have later on seen
 5 them at a time when we had a Whitewater file, and I slipped
 6 them into the Whitewater file. I can't remember where I
 7 found them when I did the search.

8 Q With respect to the October 14th meeting, how do
 9 you recall becoming aware of the October 14th meeting?

10 A I believe on the 13th Deb Coyle wrote me a note
 11 on my call log--I have a call log--which says that Bernie
 12 wants to talk to you about some matter, and in addition
 13 wants you to attend a meeting tomorrow afternoon.

14 Normally she would have probably already--if I
 15 had a conflict, she would have probably noted that you have
 16 a conflict.

17 Q Did you know what the meeting was to be about?

18 A No.

19 Q Did you talk to Mr. Nussbaum prior to the meeting
 20 to find out what it was going to be about?

21 A Not that I remember.

22 Q Is it your practice to attend meetings that have

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1 been logged in for you without knowing what they're about?

2 A Yes, unfortunately.

3 Q And--

4 A I mean, I get invited to a lot of meetings. If
5 counsel to the President asks me to attend a meeting; if Mac
6 McLarty, Chief of Staff, asks me to attend a meeting, you
7 know, and my schedule will permit it, I tend to attend those
8 meetings without always knowing what the subject matter is.

9 Q Did you believe that it was Mr. Nussbaum's
10 scheduled meeting with Treasury?

11 A I have no sense of that.

12 Q Whom did you understand was to attend the
13 meeting?

14 A I don't think I had any sense of who would attend
15 the meeting until I got there.

16 Q Where was the meeting to occur?

17 A In Bernie's office.

18 Q When was the meeting to be?

19 A I'd have to look at the note. I think it was
20 2:00 p.m.

21 Q Did you go to the meeting?

22 A Yes.

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1 Q When you arrived, who was there?

2 A Neil, Cliff, Bernie from the counsel's office;
3 Gene Hanson, Josh Steiner, and Jack DeVore from Treasury;
4 and I don't believe Mark Gearan was there when I arrived,
5 but arrived shortly after I did. I mean, he was in the
6 meeting, but I am not sure he was there when I physically
7 got there.

8 Q Who ran the meeting, if anyone ran the meeting?

9 A Basically Jack DeVore.

10 Q What was Mr. DeVore's role at the White House?

11 A He was not at the White House. He was at
12 Treasury.

13 Q I'm sorry. What was his role at Treasury, if you
14 know?

15 A I don't know if I knew. I thought he dealt with
16 press, but I don't know what their structure is and what his
17 position would be, but he dealt with the press. He was
18 Bentsen's press secretary.

19 Q What did you understand the role of the people
20 from the White House to be?

21 What did you understand Mr. Nussbaum's role to be
22 at the meeting?

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1 A Well, again before the meeting started I didn't
2 have any sense at all. I just sat down at the meeting and
3 someone said, you know, Jack has had an inquiry yesterday
4 that we need to talk about.

5 Q Who said that?

6 A I don't know.

7 Q Was it someone from the White House, or someone
8 from Treasury?

9 A I don't know. I don't even know if they said
10 that. I mean, I don't know whether Jack said 'I had an
11 inquiry'. I don't remember the words. I just know that
12 Jack began to describe this inquiry.

13 Q Who said what to whom at the meeting?

14 A Basically, the major part of the meeting was Jack
15 describing the inquiry, several inquiries he had received.
16 And then focusing on the one that, I had the sense, was the
17 reason for the meeting.

18 We then had some discussion about how we should
19 respond to that inquiry.

20 Q What did Mr. DeVore say about the inquiries?

21 A Well he told us that he had received--or somebody
22 had received an inquiry from a reporter from the AP

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1 concerning the Bank of Cherry Valley; that Sue Schmidt, I
2 believe, from The Washington Post, was trying to get Jean
3 Lewis' home number, or maybe had gone to her house, I'm not
4 quite sure, but was trying to run her down.

5 And then focused on an inquiry he had received
6 the day before from Jeff Gerth of The New York Times in
7 which Mr. Gerth had told him that he:

8 Was aware, that Mr. Gerth was aware of referrals
9 from the RTC to Justice;

10 That Mr. Gerth was aware that the normal
11 procedure for these things would be to be referred to the
12 U.S. Attorney's office in the district where the conduct
13 occurred;

14 That Mr. Gerth knew that these particular
15 referrals had been referred to Washington;

16 That he understood--'he' being Gerth--that the
17 referrals involved, or one of the referrals at least
18 involved four cashier's checks, two made payable to Bill
19 Clinton and two made payable to the Clinton for President
20 Committee--Clinton for Governor Committee;

21 That the RTC understood or believed--this is Mr.
22 Gerth--that the RTC believed that the checks had been

1 diverted from a loan made at Madison;

2 And that he wanted to know who had endorsed--Mr.

3 Gerth wanted to know who had endorsed the checks and where
4 they had been deposited.

5 Q And was that essentially what Mr. DeVore said?

6 A Yes.

7 Q Did anyone else speak at the meeting?

8 A Not during that portion of it.

9 We talked about what we should do about that
10 inquiry.

11 Q What was said by whom about that?

12 A Well, nobody was going to go--you know, we
13 thought it was sort of outrageous that somebody would ask to
14 know who had endorsed the checks. Clearly, so far as I
15 know, nobody knew.

16 Jack indicated that he had checked, and that
17 there had been RTC referrals;

18 That the referrals had already been sent--before
19 the inquiry, the referrals had already been sent on to the
20 Little rock U.S. Attorney's office;

21 That he thought it was important that we inform
22 Mr. Gerth that those referrals had already gone on prior to

1 his inquiry.

2 I think Jack DeVore was concerned that it would
3 look like we had referred them on, or we sent them on only
4 after we got a press inquiry. So he wanted the press to
5 know that, you know, none of the action with respect to them
6 was in response to the press inquiry, but had already
7 occurred.

8 I raised whether or not that was appropriate or
9 not to confirm referrals, or what happened to referrals. I
10 think Jack indicated to me that he had been told it was
11 normal procedure to confirm referrals.

12 I told him I thought that was strange, and
13 suggested that we not make reference to referrals--that if
14 he was going to respond, that we not make reference to
15 referrals, but he simply indicate off the record to Mr.
16 Gerth that whatever had been received had been forwarded
17 prior to his, Mr. Gerth's, inquiry; and not characterize
18 what those were in any way so that we would not be
19 indirectly confirming the fact of referrals.

20 I don't know what he ended up doing.

21 I asked I think where was the press getting all
22 this information, and they basically indicated they didn't

1 know.

2 I then--we then had a discussion--Jean Hanson--I
3 then raised, I don't know, the issue of this Early Bird and
4 whether or not The Early Bird and the fact that they were
5 disseminating this information throughout the RTC was
6 somehow leading to or resulting in the press learning about
7 this by, you know, if one person knew about it they then
8 tell a lot of people in the RTC, and another person in the
9 RTC tells another reporter, and somehow that we were
10 disseminating information, and whether or not that was an
11 appropriate thing for the government to be doing, spreading
12 basically rumors or whatever the press was working on.

13 I think that was when Ms. Hanson sort of gave me
14 the explanation that I gave to you earlier--which was, the
15 purpose of it was: Because the press tends to ask various
16 people, that they had found it to be, that the RTC had found
17 it to be helpful to provide various people with information
18 as to what various reporters were working on, so that if
19 they got inquiries from those reporters they would have some
20 basis for knowing where they were going with their
21 questions.

22 That made more sense to me than just sort of a

1 sheet that was sent around every morning with whatever the
2 latest, you know, press inquiries were that was just sort of
3 sent out as a way for people to sort of, you know, I don't
4 know--for no other purpose. At least it had some purpose
5 that I understood. I'm still not sure I thought it was a
6 great idea, because I thought it might do more harm than
7 good, the format that it took. But at least I had a better
8 understanding after that as to what the purpose was.

9 Q Did you take notes at that meeting?

10 A Yes.

11 Q Do you recall any of the other discussions that
12 occurred at that meeting?

13 A I don't remember there were other discussions.

14 Q How long did the meeting last?

15 A Thirty minutes.

16 Q Did Mr. Nussbaum contribute anything to the
17 meeting?

18 A Not that I remember.

19 Q Did Mr. Eggleston contribute anything to the
20 meeting?

21 A I don't have any specific memory of Cliff or Neil
22 or Bernie.

1 Q And Cliff is Mr. Sloan?

2 A Yes.

3 Q So you don't recall Mr. Sloan contributing
4 anything to the meeting?

5 A No. I mean, they may have had a comment, or made
6 a statement. I don't have any specific memory of it.

7 Q Did Mr. Gearan contribute anything to the
8 meeting?

9 A Again, various people may have.

10 The first part of the meeting was Jack sort of
11 relating to us what the inquiry was.

12 In the discussion about how he should respond to
13 it, I know that I had some views on that. Whether other
14 people had views and whether they expressed their views, I
15 really don't have any memory of.

16 So I don't know whether Mark threw in anything at
17 the meeting. I don't have any specific memory of him doing
18 so.

19 Q Did Mr. Steiner contribute anything at the
20 meeting?

21 A I don't think so.

22 Q Besides what you have already told us about the

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1 explanation of The Early Bird and its purpose, did Ms.
2 Hanson contribute anything?

3 A No.

4 Q What did you understand the role of Mr. Steiner
5 to be at the meeting?

6 A I don't know if I understood what his role was.

7 Q Did you know who he was?

8 A Oh, yes. I knew he was--yes, I knew who he was.

9 Q At that time I can't recall. Was he chief of
10 staff to Secretary Bentsen? Or was he still deputy to Mr.
11 Altman?

12 A I think he was still deputy to Mr. Altman, but
13 again I--I'm almost sure that's where he still was at that
14 time. I would have known at the time, I think, which one he
15 was.

16 Q Did you know who Ms. Hanson was?

17 A I believe I had met her on one or more occasions
18 before, so I knew, yes, generally that she was general
19 counsel of Treasury. But, you know, I mean--yes, I knew
20 what her position was, but I didn't know her other than
21 having met her on occasions.

22 Q Did you wonder why there was no one from the RTC

1 present?

2 A No, not--no. Again, I knew that Roger Altman was
3 sort of playing a dual role. I knew that Ms. Hanson I think
4 had some--was overseeing some of the RTC legal staff, I
5 believe, in addition to her Treasury responsibilities. So
6 it did not occur to me why there was no one from the RTC
7 there.

8 Q Was it your understanding that the RTC General
9 Counsel at that point was reporting to Ms. Hanson?

10 A I don't believe there was an RTC General Counsel
11 at that time.

12 Q Was there an acting general counsel of the RTC
13 that you were aware of?

14 A Not that I was aware of.

15 We had had discussions, again in my role as
16 personnel director, as to, you know, filling the position of
17 general counsel. But I don't believe at that point we had
18 done so. Now again obviously everybody--there is somebody
19 who--well, I did not have a sense that there was a person
20 who was designated as acting general counsel at that point.

21 Q You knew the RTC was a large agency at that
22 point, didn't you?

1 A Yes.

2 Q And it was responsible for collecting millions if
3 not billions of dollars of money that was owed, or that
4 could be collected from failed institutions?

5 A Yes. But again, I don't know who the lawyers
6 either in--frankly, I don't know enough about how the RTC is
7 structured. I don't know whether regional offices report--
8 where there are lawyers in the regional offices and whether
9 they report to regional administrators.

10 I don't know enough about their structure. I
11 have never given any thought to the structure of the RTC to
12 know who reports to who, and whether or not, if there is not
13 a person functioning as general counsel in Washington,
14 whether or not that hinders their ability to do their job.
15 I just had never given any thought to it.

16 Q When Mr. DeVore reported that he had checked and
17 had found out for a fact that referrals had been made, did
18 you believe him?

19 A I had no reason not to believe him; yes.

20 Q And did he say it authoritatively?

21 A He said it--he said he had checked with the RTC
22 and that in fact there had--I don't know if he said there

1 had been referrals, but that the referrals had come to
2 Washington and had been sent on.

3 Q So he said he checked with the RTC. Did he say
4 who he checked with at the RTC?

5 A If he did, I don't remember.

6 Q And he indicated that the referrals had come to
7 Washington?

8 A Right.

9 Q To what? Had they come to the RTC in Washington?

10 A I think that was my understanding, yes.

11 Q And they had been sent on where?

12 A My sense was to the U.S. Attorney in Little Rock.
13 Again, this was in the context of Jeff Gerth saying the
14 normal procedure is for these referrals to go directly to
15 the U.S. Attorney from the regional office; that Gerth
16 understood that with respect to these referrals they had
17 come to Washington.

18 I don't know whether that was Justice or RTC,
19 frankly. And I don't know that I gave any thought to which
20 one it was at the time.

21 I think part of Gerth's question was why was
22 something other than the normal procedure followed.

1 Jack indicated that he had confirmed that in fact
2 they had come to Washington but had been sent on from
3 Washington to Little Rock. And again the discussion was he
4 thought it was important that Mr. Gerth be told that that
5 had occurred prior to his inquiry, prior to Mr. Gerth's
6 inquiry, so that there would be no suggestion or belief on
7 Mr. Gerth's part that it was done in response to his
8 inquiry.

9 I raised the question as to whether or not by
10 saying that he was somehow giving information to Mr. Gerth
11 that he shouldn't give to Mr. Gerth even if Mr. Gerth
12 already thought he knew it, but we shouldn't be confirming
13 it.

14 We had a discussion about, well, he thought it
15 was important that he knows that this event had occurred
16 before Mr. Gerth called and sort of the formulation that we
17 came up with was to not characterize what had come to
18 Washington, but simply to indicate that whatever had come
19 had already been sent on to the appropriate spot prior to
20 Mr. Gerth's inquiry, and to do that off the record.

21 Q Were you concerned when you heard that Mr. Gerth
22 had reported that this was not the normal procedure, and

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1 then Mr. DeVore confirmed that the procedure that Mr. Gerth
2 had referred to is not the one that procedure that had to be
3 followed?

4 A No, I wasn't concerned about it. I didn't think
5 about it. I didn't know what was a 'normal procedure.' I
6 didn't know whether Mr. Gerth was correct, or whether or not
7 there are some little matters that did. I don't know enough
8 about the internal to know whether or not--who is right and
9 who is wrong and so forth.

10 Q Did you turn to anyone at the meeting and say:

11 Is Gerth right?

12 Is that the right down procedure or the wrong
13 procedure?

14 Was that a subject of discussion?

15 A No. The purpose of it was not to discuss the
16 information, the background of what Mr. Gerth was saying.
17 The purpose was to discuss what we should say to Mr. Gerth.

18 Mr. Gerth had some information. How should we
19 respond to him, if at all. So were not talking about, gee,
20 what is the right procedure? What is the wrong procedure?

21 We just sort of accepted what Mr. Gerth had and
22 were trying to figure out how to deal with that.

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1 Q And it is fair to say that you became concerned
2 that Jack DeVore should confirm these referrals to Mr. Gerth
3 because you thought it might be inappropriate for Mr. Gerth
4 to know that?

5 A Well again, yes, it seemed like it might be
6 inappropriate to--I don't like telling the press much of
7 anything. My inclination would have been to tell Mr. Gerth
8 that we weren't going to comment on it.

9 But Jack I think didn't want to do that because
10 he did want to make it clear to Mr. Gerth, if Mr. Gerth
11 wrote, that the story not be--you know, somehow these things
12 were sent here for some purpose of bottling them up or
13 something, and that they were hiding up here.

14 So he thought it was important that Mr. Gerth
15 know, since he already knew a lot apparently, that he at
16 least know that they had gone on to the appropriate place.

17 I did not believe we should ever use the word
18 "referral," because I didn't think that was--in the process
19 of confirming anything, and suggested the formulation that
20 we simply say that whatever had come had gone on without
21 characterizing it, and to do that off the record so it could
22 not be used, but for Mr. Gerth's purpose you wouldn't be

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1 giving him any information other than the fact that we're
 2 not going to tell you--we're not going to characterize what
 3 came to Washington or didn't come to Washington, or if it
 4 did or didn't, but whatever did, if something came to
 5 Washington, it is not here; it is gone. It went on before
 6 you ever inquired.

7 Q Did it occur to you at any time during this
 8 October 14th meeting that it was inappropriate for Mr.
 9 DeVore to be reporting to you or to anyone at the White
 10 House where Mr. Clinton was president that criminal
 11 referrals had been made in which he--the checks referring to
 12 Mr. Clinton were the subject?

13 A It did not appear to me to be inappropriate for
 14 someone in the government to repeat to someone in the White
 15 House what members of the press already know or think they
 16 know.

17 That is simply all Jack DeVore was doing, was
 18 telling us what Jeff Gerth, a member of the press, knew or
 19 thought he knew. That came, it's my guess, from some sort
 20 of leak at the RTC.

21 But once someone from the RTC leaks it to the
 22 press, and then the press makes an inquiry about it, it is

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1 not inappropriate to me for us to know that. That is all
 2 that happened at that meeting.

3 Q Jack DeVore didn't just appear. It is accurate
 4 to say that Jack DeVore didn't just repeat what he'd heard
 5 from the press.

6 What I believe you said is Jack DeVore confirmed
 7 with the RTC that the referrals had in fact been made.

8 A Well, Jack DeVore told me--

9 Q Is that correct?

10 A Well, Jack DeVore confirmed that the referrals
 11 had been sent on to Little Rock.

12 Q He confirmed that by a call to the RTC--

13 A Again, I don't know how he confirmed that.

14 Q I think you've stated it for the record, but I
 15 don't mean to misstate it.

16 A Okay.

17 Q He confirmed that he had checked with the RTC and
 18 that those referrals had been made.

19 A That's right.

20 He also told me that the RTC told him that it was
 21 normal procedure to confirm to the press referrals. So
 22 again I didn't consider that to be inappropriate. He wasn't

1 telling me anything that he wasn't also telling me that was
2 normal procedure for them to confirm to the press.

3 Q Had the RTC already confirmed that to the press
4 when you were told?

5 A I don't know if they'd been asked to confirm it.

6 Q Wasn't the very purpose of the meeting to
7 determine how the RTC or the Treasury was going to respond
8 to that issue?

9 A The purpose of the meeting was how we were going
10 to respond to Jeff Gerth. Now I don't know whether--

11 Q He's the press.

12 A Well, he's not the only press. Schmidt is the
13 press. Mr. Cowell is the press.

14 His questions were much more specific than just
15 simply, you know, will you confirm in fact that there had
16 been a referral?

17 Frankly, I don't think Mr. Gerth didn't feel
18 like--I don't know this--didn't need confirmation on that
19 point. He seemed to know--I think he knew that point.

20 His question was about, you know, who the checks
21 were made out to; who endorsed the checks; those sorts of
22 questions.

1 When I raised the issue about whether or not it
2 was appropriate to confirm to the press referrals, I was
3 told that that as normal procedure.

4 I thought that was probably not appropriate
5 procedure and raised that as an issue about whether or not
6 it was--again, it may have been normal procedure up to that
7 day. We may decide--you know, you're almost at a policy
8 decision: If that is what we have done in the past, is that
9 really what we ought to be doing?

10 Should any agency of the government be confirming
11 to the press referrals of this nature, or of any nature
12 whether it is Madison or hundreds of other referrals that
13 the RTC made.

14 I just thought that as a general matter that that
15 was not something that the agency should do and raise that
16 as a question: Should we be doing that?

17 Q And you thought of it in terms of a policy issue
18 as why the agency shouldn't do it?

19 A Well again I was told that it was what they did.
20 So my concern was not whether they did it or didn't do it; I
21 was told they did do it. My concern was whether or not it
22 was appropriate to do it.

1 That seems to me to take it to that sort of next
2 level of whether or not, if that is the procedure, should
3 that be the procedure?

4 MR. SNYDER: It has been a couple of hours. Why
5 don't we take a short break.

6 MR. CODINHA: Sure.

7 (Whereupon, a brief recess was taken.)

8 MR. CODINHA: Mr. Lindsey, one of the practices
9 that I follow is that after each break I will ask you, if I
10 recall or remember to do it, whether there is anything you
11 would like to add to your testimony or expand in your
12 testimony for the record?

13 THE WITNESS: (Nods in the negative.)

14 BY MR. CODINHA: (Resuming)

15 Q You are shaking your head "no"?

16 A We did not discuss that. There may be something
17 I want to add, expand, or modify, but not that we discussed
18 at this time. .

19 Q I believe you said that you took notes at that
20 meeting that we've been discussing, the October 14th
21 meeting.

22 A Correct.

1 Q Showing you Exhibit X0001177 and X0001178, do you
2 recognize those notes?

3 (Handing document to the witness.)

4 A Yes.

5 Q Are those notes that you're referring to?

6 A Yes.

7 Q And just because your writing is difficult to
8 read, would--

9 MR. SNYDER: We object to that.

10 (Laughter.)

11 BY MR. CODINHA: (Resuming)

12 Q Because you writing is difficult for 'me' to
13 read, and actually it may just be the copies that we have
14 that are difficult to read, would you just read your notes
15 into the record?

16 A Okay.

17 "AP reporter named Kyle, K-Y-L-E, checks
18 deposited in Bank of Cherry Valley, Maurice Smith. U.S.
19 Attorney" and then I have an arrow "LR" then an arrow,
20 other cashier's checks" then an arrow; "Jim McDougal/Susan
21 McDougal, \$300,000."

22 Then, "Current governor may well be indicted."

1 Then, "RTC, Gene Lewis" --I spelled it with a G. Chief
 2 Investigator, RTC, Kansas City. Field office to U.S.
 3 Attorney--then a line

4 " _____ "

5 U.S. Attorney

6 "normal procedure"; "field office", then an arrow. "RTC
 7 Washington last week" then an arrow, "sent to U.S. Attorney.
 8 On the side, if you want, it says "Jack DeVore, Josh
 9 Steiner, and Jean Hanson with a "J".

10 Then, "Sue Schmidt, Madison Guaranty, 1985-Rose
 11 Law Firm" and then on the side, Jeff Gerth. Called Jack
 12 yesterday. Cashiers' checks, \$12,000, two payable to BC,
 13 Bill Clinton; two payable to Clinton Clinton.

14 Then underneath that, April 4/5, 1985, each check
 15 for \$3000 repayment of campaign debt. Then who endorsed?
 16 And three question marks.

17 On the side it says "loan from Madison Guaranty
 18 to a republican 'peacock'."

19 Then also sort of above the "called Jack
 20 yesterday," there's a guy's name, Jeff Garish, private
 21 attorney in Arkansas.

22 Q The top of X0001178 refers to RTC and Gene Lewis,

1 with a "g", chief investigator--does that say chief
 2 investigator?

3 A Yes.

4 Q RTC-Kansas City.

5 What did that refer to?

6 A I believe that it referred to something was
 7 trying to talk to, or had gone to the home of one of the
 8 reporters had gone to the home of Gene Lewis. At the time I
 9 thought it was a man who was the chief investigator for the
 10 RTC in Kansas city, to try to get information.

11 Q The portion at the bottom of X001178, who
 12 endorsed the three question marks at the end and in a box?
 13 Who raised that issue?

14 A That was one of the pieces of information Jeff
 15 Gerth wanted to know. Once of the questions he asked was,
 16 "Who endorsed the checks?"

17 Again, this is Jack DeVore telling us what Jeff
 18 Gerth was asking. As I said earlier, a lot of this I think
 19 Jeff Gerth sort of accepted as being facts, so he wasn't
 20 asking to have confirmation of it.

21 He was asking who endorsed the checks.

22 Q Was there any discussion with Mr. DeVore whether

1 the underlying information that's referred to on X001177 and
2 78 was correct?

3 A I don't have any idea whether Jack knew if it was
4 correct or not correct. We did not have any discussion
5 about that.

6 Q That was my question, is whether there's any
7 discussion about it.

8 A No.

9 Q Was there any other conversation that you can now
10 recall at the meeting of October 14th?

11 A No. I mean, other than the discussion of these
12 various press inquiries and a general discussion about The
13 Early Bird and the purpose of The Early Bird.

14 Q Was there any Early Bird at that meeting?

15 A Not that I was aware of.

16 Q Have you since seen an Early Bird?

17 A Yes.

18 Q And have you since seen the early bird of
19 September 30th, 1993?

20 A Yes.

21 Q What was the occasion that you saw The Early
22 Bird?

1 A I believe at one of these investigations someone
2 showed it to be.

3 Q Was that the first time you had seen an Early
4 Bird?

5 A Yes. I think that's right.

6 Q What, if anything, ended the meeting of October
7 14th?

8 A It was over.

9 (Laughter.)

10 Q It just came to its natural conclusion?

11 A Yes. We talked about it. We talked about how
12 Jack--how we would recommend Jack might respond, and we
13 left, as best I remember.

14 Q Did you discuss with anyone after the October
15 14th meeting the policy of the RTC to confirm criminal
16 referral?

17 A No.

18 Q Did you think that that was a bad policy?

19 A To this day, if it is the policy, I don't
20 understand it. Referrals to me are like grand jury
21 proceedings. They are confidential.

22 My guess is that if you are asking about a grand

1 jury investigation, that people in the Justice Department
2 and the U.S. Attorney's office refused to comment in any
3 way--and again this is not really my area, but it just did
4 not seem right to me at the time I expressed that.

5 Q Are you aware of the policy considerations why
6 the U.S. Attorney's office doesn't confirm criminal
7 referrals?

8 A Well criminal referrals are grand juries.

9 Q Well either criminal referrals or grand juries.

10 A On a philosophical basis, you know, I guess I
11 could think about it. I really hadn't given it much
12 thought. This was not something--it was just my sort of
13 off-the-top of my head reaction when you said that the
14 normal procedure was to confirm it. That just didn't seem
15 right.

16 Q At the end, when this meeting came to an end, did
17 you or anyone else give instructions to people from the
18 Treasury on how to deal with the press inquiries?

19 A No.

20 Q Was there a suggestion from you or anyone else
21 from the White House on how to deal with press inquiries?

22 A I suggested that he not make reference to

1 referrals; that he simply, if he felt it was important to
2 tell Jeff Gerth anything, I probably suggested first that he
3 not comment at all, but if he felt that it was important to
4 comment at all, that he should simply say that whatever had
5 been sent had been sent on prior to his inquiry, and not go
6 any further than that.

7 Q With that instruction, or with that suggestion,
8 and I don't mean to suggest it was an instruction--with that
9 suggestion having been made to Jack DeVore, did you suggest
10 to Mr. DeVore that he make sure that that in fact was the
11 case?

12 A No. Again, I have no authority over Mr. DeVore.

13 Q That's why I said a suggestion.

14 A It was my suggestion and I have no idea what he
15 did.

16 Q When the meeting broke up, did the people from
17 Treasury indicate--and when I say 'people from the Treasury:
18 DeVore, Hanson and/or Steiner--indicate that they were going
19 to keep the White House informed with what happened on this?

20 A Not that I remember.

21 Q Were there any requests by the White House that
22 DeVore, or Hanson, or Steiner keep the White House informed

1 of what happened on this?

2 A Not that I remember.

3 Q After DeVore and Hanson and Steiner left, was
4 there any continuing discussion amongst the White House
5 people about what had occurred?

6 A I have no memory of that.

7 People may have--the meeting broke up. It wasn't
8 that they left and the rest of us stayed. So there may have
9 been discussions among two or three as we were walking out
10 or something, but I don't have any memory of it.

11 Q When Mr. DeVore confirmed to you that he had
12 checked with the RTC and that criminal referrals had been
13 made, did that concern you?

14 A No.

15 Q Was there a reason it didn't concern you?

16 A Well again while the press is often wrong, the
17 they are often right. I have been told by other people
18 prior to this that--so I guess, while I didn't know whether
19 it was true or not true, I didn't immediately assume it was
20 wrong.

21 So when he said it, it didn't register at all one
22 way or the other as to any significance.

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1 Q Did other people keep notes at that meeting, if
2 you noticed?

3 A I didn't notice.

4 Q After the meeting had concluded, did you have any
5 conversations with Mr. McLarty, the Chief of Staff, to
6 inform him that it had been now confirmed by Mr. DeVore that
7 criminal referrals had been made?

8 A No. When you say "confirmed," I have never had a
9 discussion with him, but there were rumors so. I mean,
10 there was nothing, so far as I know, that Mr. McLarty at
11 this point, didn't know facts, and didn't know anything
12 about referrals.

13 I am just arguing with the word "confirm" as if
14 he already knew, and I am not sure he knew. But I did not
15 have a conversation with Mr. McLarty.

16 Q Let me see if I understand what you've said.

17 Up until October 14th, you don't know whether Mr.
18 McLarty knew or didn't know about the press accounts of
19 there being criminal referrals?

20 A That's correct.

21 I never had a conversation with Mr. McLarty and I
22 do not know whether he knew from other sources.

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1 Q But from October 14th on, you knew that it had
2 been confirmed by a government official in Treasury, that he
3 had checked with RTC and that there were referrals in which
4 the President and the campaign, the '85 campaign, were at
5 least mentioned.

6 That's correct?

7 A Yes.

8 Well, again--No, that's not correct.

9 There were referrals, and there was a question
10 about campaign checks, and a statement by Mr. Gerth that the
11 referrals dealt with these campaign checks.

12 There was no confirmation, as far as I know, from
13 Jack DeVore of the underlying information in the referrals,
14 but he did confirm that there were referrals involving I
15 guess Madison.

16 But again, I did not know from Jack DeVore or
17 from anybody else that this in fact was a subject of any of
18 the referrals.

19 Q Would it have been important to you to know in
20 that meeting on the 14th whether the President or the
21 President's 1985 Clinton Campaign was mentioned in the
22 referrals?

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1 A If there are referrals, there is nothing I or
2 anyone else can do about it. So, you know, I did try to
3 determine whether or not there were checks similar to the
4 checks described by Mr. DeVore.

5 So to the extent that I tried to determine that I
6 now had some facts that I could check from other sources, I
7 tried to determine whether those were accurate or not.

8 To say whether or not it was important to know
9 that there were criminal referrals, I don't know how to
10 answer that.

11 It was nothing I was trying to deal with because
12 there was thing I could do about it. So, you know, what was
13 going to happen was going to happen. Therefore, I tend to
14 try to deal with things that can, you know, get my hands on
15 and deal with, as opposed to just sort of things that are
16 out there that are happening that are going to happen one
17 way or the other.

18 Id did try to determine factually whether or not
19 the information that Mr. Gerth had imparted to Mr. DeVore
20 was accurate. But beyond that, I didn't do anything.

21 MR. SNYDER: With respect to your reporting
22 responsibilities--Can I just interrupt to be sure that it is

1 clear that Mr. Lindsey, when he said he tried to determine
2 whether the facts were accurate, is not referring to any of
3 them that occurred at that meeting.

4 MR. CODINHA: Do you know that?

5 MR. SNYDER: I do know that.

6 (Laughter.)

7 MR. CODINHA: Let me examine that because--

8 MR. SNYDER: I just don't want the record to be
9 unclear.

10 MR. CODINHA: I think it is a fair clarification.

11 MR. SNYDER: I think the statement was ambiguous,
12 and I think it might have misled you. So I just wanted to
13 clarify.

14 MR. CODINHA: And I thank you for it. But let me
15 follow up with that.

16 BY MR. CODINHA: (Resuming)

17 Q You said you tried to determine if there were
18 checks, and whether the underlying facts were accurate.
19 Did that occur at that meeting?

20 A No.

21 Q Did occur sometime after the meeting?

22 A Yes.

1 Q How much after the meeting did it occur?

2 A I don't know the answer to that.

3 At some point I contacted the keeper of our
4 records from the campaign and asked them whether or not our
5 records would reflect four checks totalling \$12,000 each for
6 \$3000 with a date around April 4 or 5, to made payable to
7 Bill Clinton and two payable to the Clinton Campaign.

8 They in fact got back to me and indicated that
9 there were four checks with those date. All of them were
10 not casher's checks. But basically confirmed to me that
11 information. Whether I did that that day, the next day, or
12 two days after this meeting, I don't know.

13 Q What was the source of your information that
14 these were casher's checks?

15 A It came from the Gerth deal. If you recall Jack
16 yesterday, "Cashier's checks, \$12,000."

17 Q How soon after the October 14th meeting, if you
18 can recall, did this occur?

19 A My guess is--you know, I wrote a memo within a
20 week. So it clearly occurred within the week, because I
21 knew the information by the time I wrote the memo.

22 My guess is it would have taken several days

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1 probably for them to get back to me with the information.
 2 They would have to go through the records and try to find
 3 the information.

4 It occurred within the week.

5 Q Did you contact Mr. Kendall about the information
 6 you had obtained at the October 14th meeting?

7 A No.

8 Q Do you recall specifically that you didn't
 9 contact Mr. Kendall?

10 A No.

11 I'm trying to remember when I first knew that
 12 David Kendall was involved in any of this. I have no memory
 13 of contacting Mr. Kendall.

14 Q With regard to your reporting responsibilities,
 15 did you report what had occurred and the information you had
 16 obtained at the October 14th meeting to Mr. McLarty who was
 17 the chief of staff?

18 A No.

19 Q Was there a reason you didn't report it?

20 A Again--

21 MR. SNYDER: I think we covered this.

22 MR. CODINHA: I just was not sure whether I had

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1 or not. I got off track.

2 THE WITNESS: Well, again, I saw no necessity to
 3 do it. If there were inquiries out there, I did not--you
 4 raised the possibility that he might get asked in press
 5 inquiries. My guess is that he would refer them to me just
 6 like anybody else in the White House would. I didn't see
 7 the need.

8 BY MR. CODINHA: (Resuming)

9 Q Well with respect to your reporting
 10 responsibilities, did you report to the President of the
 11 United States the information you had gotten at the October
 12 14th meeting?

13 A No.

14 Q Was there a reason you didn't report this to the
 15 President?

16 A The same reason. At that point, you know, I saw
 17 no need. I mean, if I reported every press inquiry or every
 18 piece of information I got, and if everybody else in the
 19 White House did that, he would not be able to perform his
 20 responsibilities as president.

21 So again, it did not seem to me to be at a level
 22 of significance to report to him with respect to this

1 particular information.

2 Q As far as you were aware, was this the first time
3 there had been any confirmation of the criminal referrals
4 having been made?

5 A I guess, yes. I've never thought of it that way,
6 but, yes.

7 Q Do you recall a meeting that you may have had
8 with the President and with the First Lady in which Mr.
9 McLarty may have been present for some time in the meeting
10 during which Madison, White House, or these contacts with
11 the Treasury or RTC were discussed?

12 MR. SNYDER: I am going to object to the question
13 to the extent that you might be asking whether there was
14 ever any discussion of White House with the President.

15 If you're asking about Treasury contacts, then I
16 don't have an objection.

17 MR. CODINHA: That is how I am trying to frame
18 it.

19 MR. SNYDER: I think you said "or" Whitewater "or
20 Treasury contacts."

21 MR. CODINHA: I think I said Madison or
22 Whitewater and Treasury contacts.

1 MR. SNYDER: I may have misunderstood.

2 BY MR. CODINHA: (Resuming)

3 Q Now the point is, it is a meeting or a
4 conversation in the residence at the White House with you,
5 the President, the First Lady, Mr. Kendall, in which Mr.
6 McLarty may be either just going out of the meeting or the
7 conversation, at which Madison or Whitewater was discussed
8 in relationship with contacts with the Treasury or RTC?

9 A Prior to February of '94?

10 Q Prior to February of '94.

11 A No, I don't have any memory of that.

12 Q Did you become aware of a group at the White
13 House that was referred to as "the Whitewater Response Team?"

14 A I don't know who referred to it as that.

15 Q It's not my terminology.

16 A I was part of a group that met at different times
17 to discuss how we should respond to press inquiries, and
18 Congressional inquiries, and talk show inquiries about
19 Whitewater.

20 I don't know if I ever referred to it as a
21 Whitewater Response group--and I don't know if I ever
22 referred to it as a Whitewater Response Group--and I don't

1 know if I'm talking to the same thing you are, but there was
2 such a group in probably, oh, January of '94.

3 Q Do you recall it being in existence prior to
4 January of 1994?

5 A No. No, I think it came into existence after a
6 decision--after the--in the middle of December, shortly
7 before everybody left for Christmas, a decision was made to
8 turn over documents to the Special Counsel.

9 There was a story written about that Whitewater
10 documents were in Vince Foster's office, and we confirmed
11 that there was a Whitewater file.

12 All of this sort of went from The Washington Post
13 and The New York Times being interested, to everybody, all
14 the press being interested.

15 That was about the time that this group sort of
16 started meeting, because we were getting--when it was just
17 Jeff Gerth of The New York Times and Chuck Babcock or Mike
18 Isikoff of The Washington Post, there was never felt to be
19 that need. But when it became everybody in Congress and
20 talk shows, Rush Limbaugh and others, we then decided that
21 we needed to do that.

22 Now my memory is that we made the decision to

1 release all that right before we left for Christmas, and
2 that this would have occurred right after we got back from
3 New Years. So in my mind at least it started around January
4 of '94.

5 Q Did the Whitewater Response Group have a regular
6 time for meeting?

7 MR. SNYDER: I am going to object to questions
8 about "Whitewater Response Group" if it doesn't relate to
9 Treasury contacts.

10 MR. CODINHA: I'll try to tie it in.

11 BY MR. CODINHA: (Resuming)

12 Q Let me first determine this group.

13 Did it have a regular time for meeting?

14 MR. SNYDER: I am going to object to that unless
15 it is tied into Treasury contacts. I don't think it is
16 proper to ask about the functioning of White House
17 personnel, and what time they met, and what they talked
18 about on things that are outside the scope of the
19 Resolution.

20 MR. CODINHA: The difficulty I am having, Mr.
21 Snyder, is, while I of all people am trying to stay with
22 Senate Resolution 229, I believe that, based on the contacts

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1 we've seen both before and you may or may not know of the
2 contacts that occur in February of 1994. You have contacts
3 before January of 1994 when this group starts off, you have
4 contacts on the other side.

5 You need to understand what is happening in the
6 middle as it relates to Madison and Whitewater, particularly
7 when it deals with contacts and the way people are going to
8 deal with the information that they clearly have received.

9 I need to ask about those things.

10 I will try to narrow it very narrowly, but I
11 think the inquiry as to how often they met, the subject
12 matters they met on are within Senate Resolution 229.

13 MR. SNYDER: Well I did not object, and Mr.
14 Lindsey has answered that there were meetings of a group to
15 discuss responses regarding Whitewater issues and press
16 inquiries.

17 I am going to maintain my objection regarding the
18 details of what time they met, and exactly what they
19 discussed unless it relates to the White House-Treasury
20 context.

21 MR. CODINHA: Well let me see if I can narrow
22 that further.

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1 BY MR. CODINHA: (Resuming)

2 Q Was Mr. Nussbaum a member of the Whitewater
3 Response Group?

4 MR. SNYDER: I think I am going to insist that
5 there be some showing or indication that these questions
6 relate to Treasury contacts, or I am simply going to
7 instruct the witness not to answer regarding who in the
8 White House met, what they discussed, or what time they
9 discussed it if it doesn't relate to the Treasury contacts.

10 MR. CODINHA: Mr. Snyder, at this point we know
11 that Mr. Nussbaum was involved in the earlier contact with
12 Treasury.

13 For us to now somehow artificially insulate him,
14 we know he is involved in the earlier contact, and he will
15 be involved in later contacts.

16 For you to artificially say that somehow in the
17 month of January he isn't involved, it is just very
18 difficult to examine this.

19 MR. SNYDER: Mr. Codinha, I think we are
20 genuinely having a miscommunication, and I don't quite
21 understand what you are getting at.

22 Mr. Lindsey spoke to Mr. Nussbaum, the White

1 House counsel, very, very frequently. They worked in the
2 same building. They deal with a million issues having
3 nothing to do with White House, having nothing to do with
4 Treasury contacts.

5 The fact that Mr. Nussbaum may or may not have
6 had Treasury contacts does not make it appropriate to ask a
7 senior official of the White House about every meeting he
8 may have had with the White House counsel on other issues.

9 MR. CODINHA: I am not asking about "other
10 issues." I am asking about White House/Madison as they
11 involve contacts.

12 MR. SNYDER: Well if you phrase the question as
13 it involved contacts, he will answer it.

14 If you ask him whether he met with Mr. Nussbaum
15 regarding Whitewater, I instruct him not to answer because
16 that is outside the scope of the Resolution. It is
17 precisely in the area that the Special Counsel has asked the
18 Congress not to inquire about general Whitewater issues, and
19 Congress as I understand it has said it won't inquire at the
20 present time about general Whitewater issues.

21 If your question relates to Treasury contacts, we
22 are here to answer. The question you phrased didn't relate

1 to Treasury contacts.

2 MR. CODINHA: Let me just see if I can move this
3 along. I will withdraw the prior question.

4 BY MR. CODINHA: (Resuming)

5 Q This Whitewater Response Group that was formed
6 sometime, to the best of your memory, in January, did it
7 discuss as its subject matter the issue of White House
8 contacts with the Treasury?

9 A No.

10 Q Did it discuss as an issue the referrals from
11 RTC?

12 A No.

13 Q Did it discuss the civil cases involving Madison?

14 A Not with regard to RTC or--

15 Q Did you understand they were civil cases that
16 were being discussed by RTC?

17 A I'm sorry? Could you clarify that?

18 Q Did you understand that in January or February an
19 issue relating to the statute of limitations as it applied
20 to the civil cases relating to Madison was being discussed?

21 MR. SNYDER: Excuse me? Discussed by whom?

22 BY MR. CODINHA: (Resuming)

1 Q Discussed in general in the news, by the White
2 House, by Treasury, by any of those people?

3 MR. SNYDER: I would have no objection to any
4 question about whether he has any information about
5 discussions between the White House and Treasury concerning
6 the civil case or the statute of limitations or anything
7 relating to Whitewater and Madison as it may bear on White
8 House-Treasury communications; but I again would object that
9 discussion of the Whitewater matter, whether it is a civil
10 Whitewater case or a criminal Whitewater case is outside the
11 scope of the Resolution if it has nothing to do with White
12 House-Treasury contact.

13 BY MR. CODINHA: (Resuming)

14 Q Let me ask you first:

15 Did you become aware at some time that there was
16 an issue relating to the statute of limitations as it
17 applied to Madison?

18 MR. SNYDER: I am going to instruct him not to
19 answer that question unless it relates to White House-
20 Treasury communications.

21 MR. CODINHA: Well, Mr. Snyder, I have to tell
22 you, we have developed information that that very issue was

1 a matter that was discussed between the White House and
2 Treasury, and I have to know whether he knows about it.

3 MR. SNYDER: If you want to ask him whether he
4 knows anything about White House-Treasury discussions of
5 that, we have no objection in the slightest.

6 There were also reports in the newspaper about
7 that subject, and I am instructing him not to answer about
8 general information that he got from the newspaper or other
9 sources if it had nothing to do with White House-Treasury
10 communications.

11 BY MR. CODINHA: (Resuming)

12 Q Did you become aware of the statute--that there
13 was an issue relating to the statute of limitations as it
14 applied to Madison that was a subject of discussion between
15 White House officials and Treasury or the RTC?

16 A At any point? At some point?

17 Q In January or February--

18 A Yes.

19 Q And when was that?

20 A The Press Office, the White House Press Office
21 received an inquiry. I don't know if it was from whom,
22 maybe from Treasury, somebody in Treasury who had received

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1 an inquiry about a meeting that Mr. Altman had attended.

2 The inquiry was whether or not Mr. Altman had
3 been instructed by the White House to do something. That
4 inquiry came to me.

5 I called Roger Altman and said "What's this all
6 about?"

7 Mr. Altman told me he had met with some White
8 House officials; that they had discussed, among other
9 things, the procedures that the RTC intended to use for
10 determining whether or not to bring civil actions prior to
11 the end of the statute of limitations; that he had not been
12 instructed by anybody in the White House to do anything.

13 He had been asked by someone whether or not they
14 intended to brief the attorneys on these matters.

15 He indicated, he told me that he said he didn't
16 know, he would have to talk to a lawyer or lawyers; that he
17 said he had talked to his lawyers; that they indicated that
18 at some point they would brief the lawyers, the lawyers for
19 the various parties; but that it was not appropriate to do
20 so at that particular moment at this time.

21 Therefore, he had not done it.

22 I suggested to him that, in response to the press

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1 inquiry that had come to his office, or to the Treasury
2 Department, that he should either call or have someone call
3 back the reporter and indicate to the reporter that no one
4 at the White House had instructed him to do anything.

5 Q Do you remember when that telephone call between
6 you and Mr. Altman occurred?

7 A No--I mean, it was the same day I got the memo,
8 but I've looked at the memo and it's not dated. Obviously
9 it was after the February 2nd meeting, but I couldn't tell
10 you whether it was three days after, or a week after.

11 Q Prior to the February 2nd meeting, were there any
12 discussions--well, when did you first learn of the February
13 2nd meeting?

14 A At some point after the meeting, Mr. Nussbaum
15 came to me and asked me whether he had approved Ellen Kulka
16 as General Counsel. I don't know, frankly--here again, I
17 don't know whether he indicated to me that he had learned
18 that at a meeting with Roger or not.

19 I said I didn't know. I would check on it. I
20 had Deb call over to the personnel office and ask whether or
21 not we had signed off on it.

22 She sent me a memo back which indicated that

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1 Roger had made that decision, and they didn't know frankly
2 whether or not anybody in the White House had signed off on
3 it or not. And I probably told Bernie that.

4 But I cannot tell you today that when he came to
5 me and asked me that question, whether he said I just came
6 from a meeting in which I learned this, or whether he just
7 asked me, you know, just did we sign off on it. Did we
8 approve Ellen Kulka as General Counsel.

9 So again, he may have indicated to me at that
10 time that he had learned that at a meeting; he may not have.
11 I just don't know.

12 Q The--

13 A But if he did not tell me, the first time I would
14 have learned of the meeting would have been in this memo.

15 Q Which memo is that?

16 A This memo that is written to me by someone in the
17 press office outlining the press inquiry.

18 Q Is that X0001181 and X0001182?

19 A Yes.

20 Q Now before I move on, did you come to understand
21 what Mr. Altman discussed at the February 2nd meeting?

22 A I know what Roger indicated to me when I called

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1 him and said "what's this all about?" that they discussed.

2 Q What did Roger tell you he discussed?

3 A Okay. It's basically reflected at the bottom of
4 this memo.

5 I said:

6 What happened?

7 He said, they discussed recusal.

8 Then I may have said, by the way, who was at this
9 meeting?

10 And he said Jean Hanson. He told me Mac couldn't
11 come. He told me Harold, Maggie, and Bernie were there.

12 He said, we discussed recusal.

13 We discussed the process to follow between now
14 and 2/28, which was I assume--I believe that's when the
15 statute of limitations expired.

16 I had sort of related to him what this question
17 was, and he said that Maggie said, are you going to brief
18 the attorneys on what this process is?

19 He was telling me that. He said, Maggie, at the
20 end of the meeting or some point, he said, are you going to
21 brief the attorneys?

22 He said that he'd check with his counsel and that

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1 the response of his counsel was: We are, but not now. That
2 is reflected up in this part (indicating).

3 He indicated to me up here at the top: No
4 instructions from anyone. Nobody instructed him to do it or
5 anything.

6 Then it says: Kendall had practiced before the
7 RTC. I don't have any recollection as to what that meant.

8 Q Did Mr. Altman mention Mr. Kendall to you at that
9 point?

10 A This was in--all of this came from my
11 conversation with Mr. Altman. So for me to write it down
12 here, I would assume he mentioned to me this. I did not
13 know he had practiced with the RTC, so I didn't know this
14 information.

15 Q But you knew who Mr. Kendall was?

16 A Yes.

17 Q And you knew that Mr. Altman was telling you that
18 Mr. Kendall had practiced before the RTC?

19 A Yeah. I mean, I assume he was telling me that
20 Mr. Kendall probably knows what the procedures are.

21 You know, the question was, for Maggie, are you
22 going to brief the attorneys on what the process is?

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1 At some point he may say, you know, I think Mr.
2 Kendall used to practice before, or has practice before the
3 RTC, so he probably knows of the process.

4 Again I'm speculating because I don't remember
5 that part of the conversation at all.

6 Q Prior to you having this conversation with Mr.
7 Altman, had there been discussions with the Whitewater
8 Response Group that discussed this issue that Mr. Altman had
9 raised when he came over of the procedures that the RTC was
10 going to follow?

11 MR. SNYDER: Could you either repeat that
12 question or--

13 BY MR. CODINHA: (Resuming)

14 Q Well prior to Mr. Altman telling you on sometime
15 after February 2nd of what had been discussed at the
16 February 2nd meeting, had there been a discussion by the
17 Whitewater Response Group as to what the procedures were
18 going to be that the RTC was going to follow as it related
19 to the statute of limitations?

20 MR. SNYDER: I will object to the question except
21 insofar as it is asking whether these discussions related to
22 any communications with RTC or the Treasury about the

1 procedures.

2 In other words, if the White House people were
3 talking about any communications they had, anyone at the
4 White House had with Treasury or RTC about procedures, then
5 we have no objection to the question.

6 If the question is whether White House people
7 talked about information they may have had from sources
8 other than Treasury or RTC people about statute of
9 limitations, civil cases, Whitewater, that had nothing to do
10 with Treasury or RTC communications, then we would object to
11 it as outside the scope of the investigation, and as being
12 internal White House communications.

13 BY MR. CODINHA: (Resuming)

14 Q Do you understand the limitations that Mr. Snyder
15 has put on this?

16 A Um-hmmm.

17 Q Are you able to answer the question with the
18 limitations put on?

19 A I knew of no conversations with anyone at
20 Treasury or the RTC about the process or procedures to be
21 followed with respect to the handling of any civil Madison
22 matter prior to I think this conversation, the February 2nd

1 conversation.

2 Q Now having said that, do you recall any
3 discussions that took place in the Whitewater Response Group
4 that were conversations to the effect that somebody better
5 call up the RTC or Treasury and find out what is going on

6 A With respect to the procedures they were going to
7 follow?

8 Q Yes, with respect to the procedures--

9 A No, I don't remember any conversations like that.

10 Q Do you recall any conversations that indicated
11 that someone at the Whitewater Response Group had better
12 call RTC or Treasury and get Mr. Altman over to brief them
13 on what was the procedure that was going to be followed?

14 A I don't remember any conversations like that.

15 Q Do you recall anyone at the Whitewater Response
16 Group saying words to the effect--and I don't mean the exact
17 words, but the gist of which was we are concerned, or we
18 want to know where Roger Altman is on the recusal issue?

19 MR. SNYDER: Now are you asking--I object to the
20 question if it doesn't relate to communications with
21 Treasury or RTC. I mean if they had an internal discussion
22 wondering what somebody at Treasury might do, but without

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1 any effort to contact them to find out what he might do,
2 then I would object.

3 MR. CODINHA: I understand your question, Mr.
4 Snyder, and I think I asked it. The gist of the question
5 was: Was there discussion about whether Mr. Altman was
6 going to recuse himself, and we'd better contact him to find
7 out what he is going to do.

8 THE WITNESS: Prior to this February 2nd meeting?

9 BY MR. CODINHA: (Resuming)

10 Q Prior to the February 2nd meeting.

11 A I don't remember any meeting like that.

12 Q So none of those items were discussed, as far as
13 contacting anyone from Treasury or anyone from the RTC with
14 respect to the statute of limitations?

15 A Not that I--no, not that I remember.

16 Q Or the issue of whether Mr. Altman would recuse
17 himself from sitting on the Madison case?

18 A Not that I remember.

19 Again, we're talking about prior to the
20 February 2nd meeting?

21 Q Again, prior to the February 2nd meeting.

22 A Not that I remember.

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1 Q Do you recall how many--well, let me first ask:
2 Did you attend any Whitewater Response Group meetings during
3 that time period in January?

4 A Yes.

5 Q How many of them did you attend?

6 MR. SNYDER: I object to that question.

7 MR. CODINHA: Well, the difficulty in asking that
8 is, if there were 30 meetings and he attended only one, it
9 is not a significant answer. If he attended all the
10 meetings and this was never discussed, it is a significant
11 answer. That is all I am trying to determine.

12 MR. SNYDER: Well, I won't object to your asking
13 him to approximate the percentage or proportion of the
14 meetings of the Whitewater Response Group that he attended.
15 I will object to quantifying the number of such meetings
16 that there were, or the times, or the discussions, but I
17 understand what you are getting at.

18 If you want to find out if he attended most of
19 those meetings, or all of them--

20 MR. CODINHA: Why don't we try to work within the
21 strictures. Can you do that?

22 THE WITNESS: Yes, I can.

1 (Counsel and his witness confer.)

2 MR. SNYDER: Can we take a moment?

3 MR. CODINHA: Sure.

4 (Whereupon, a brief recess was taken.)

5 MR. CODINHA: Let's go back on the record.

6 BY MR. CODINHA: (Resuming)

7 Q The question before you is: Can you approximate
8 the percentage of the meetings of the Whitewater Response
9 Group that you attended in January of 1994?

10 A I guess my answer is, my guess would be half.
11 Again, I'm not quite sure that you and I are referring
12 necessarily to the same meetings and group. But just a
13 guess would be half of them.

14 Q And I would just add for the record, just so I
15 don't look as inept as that may make it sound, that the
16 reason we can't agree is because I can't ask you about these
17 meetings--

18 A That's right. Well, and--

19 Q --and what the composition of them were, or what
20 their purpose of.

21 A Right. I understand that. My problem is, I
22 don't know if I ever heard of this group referred to as a

1 Whitewater Response Group, although there were references to
2 the group that met in the papers, and it may have been
3 referred to as that by Al Caiman or some reporter.

4 I don't think I ever had an internal sense that
5 we had a group called that. But meetings in January that
6 involved responding to Whitewater inquiries from the press,
7 and Congress, and other places, my guess is I would have
8 attended approximately half of those meetings.

9 Q Do you recall sometime in December becoming aware
10 of receiving copies of FOIA requests which related to
11 Madison which came in from Eugene Ludwig, Comptroller of the
12 Currency?

13 A You said FAXs? I remember receiving "a" FAX. I
14 could have received more, but I remember one.

15 Q All right.

16 Did you have any conversation with Mr. Ludwig
17 about that FAX?

18 A No.

19 Q Do you know why you received it?

20 A No, other than--again, by then I was in the
21 papers often responding to Whitewater questions, and
22 therefore if he was going to send it to someone, I would be

1 the appropriate person to send it to.

2 Q Was notification of that given by the White House
3 to the Department of the Treasury that you were the person
4 who was supposed to be receiving that information?

5 A Not in any--no, no.

6 It was just in most stories written in, you know,
7 October 31st or after that by Jeff Gerth or Chuck Babcock or
8 Sue Schmidt or whoever, usually I am the person quoted from
9 the White House with a response.

10 It's not formalized in any sort of sense. It's
11 just people who read it and saw your name, my name. But
12 again I'm speculating as to why Gene Ludwig--I have no
13 reason--I don't know why he sent it to me.

14 Q Did you see it when it arrived?

15 A I guess.

16 I mean, I had it and produced it so I assume I
17 saw it. I had no memory of seeing it or focusing on it at
18 the time.

19 Q Do you recall receiving a FAX at or about the
20 same time from Josh Steiner who is Chief of Staff of the
21 Treasury?

22 A Yes.

1 Q And did it also relate to FOIA requests?

2 A I think it may have been the same one.

3 Q Relating to Madison?

4 A I think it's the same one.

5 Q Did you contact Mr. Steiner about that fact?

6 A No.

7 Q Do you know why Mr. steiner sent you the FAX?

8 A No.

9 Q In your duties and responsibilities as a Senior
10 Adviser to the President, would it have been a part of your
11 responsibilities to respond to FOIA requests that came into
12 the FDIC?

13 A No.

14 Q Would you be coordinating the responses to FOIA
15 requests that came into the FDIC?

16 A No.

17 Q So is it your testimony today that you have no
18 idea why those FAXes were sent to you?

19 A Well, again I have no knowledge as to why. I can
20 speculate that, because I was a person who at the White
21 House was responding to questions in the press about
22 Whitewater and Madison, that they felt like I would want to

1 know that there had been a FOIA request. That is
2 speculation. I have not had a conversation with either of
3 them about why they sent it to me.

4 Q I would like to, because I am jumping around a
5 little now, I want you to focus again on the February 2nd
6 meeting.

7 A Okay.

8 Q The February 2nd meeting, do you know who
9 attended that meeting?

10 A Only when Mr. Altman told me.

11 Q And the parties to that meeting you listed
12 already that were on some ABC News sheet, and I've
13 forgotten--

14 A Right. I asked him I guess who attended, and he
15 told me. He told me Jean Hanson, Maggie Harold. He said
16 "Mac." I wrote "Mac" down, and then he said, but Mac
17 couldn't attend, so that is why it is scratched through.

18 Is that it?

19 Q You said Bernie.

20 A Bernie? Okay.

21 Q Did you ask Mr. Altman who had called the
22 meeting?

1 A No.

2 Q Did you ask Mr. Altman what his purpose was in
3 coming to the meeting?

4 A No. I mean, I asked him what happened? He said,
5 you know, he said something to the effect--these are not his
6 words--well, I came over there; I had a meeting.

7 I said, who was there?

8 He told me.

9 We discussed, you know, the issue of recusal.

10 We discussed the process to follow between now
11 and February 28th.

12 I may have already read him this.

13 And Maggie asked me at the end of the meeting
14 whether we were going to advise the attorneys, and I
15 indicated to her I didn't know, I'd have to check.

16 I checked on it and decided it was not
17 appropriate to do it now.

18 That's sort of the way it went.

19 I said, did anybody--the question was somebody
20 about instruction. I said, did anybody instruct you?

21 He said, no, no one instructed me.

22 I said, well, you know, can somebody get back to

1 this reporter and indicate to him that, you know, that you
2 received no instructions from anybody over here to do
3 anything like that?

4 And he said, I'll take care of it.

5 That was it.

6 Q Did Mr. Altman tell you in that conversation that
7 he had come to the White House on February 2nd with the
8 intention of telling the White House that he intended to
9 recuse himself?

10 A No.

11 Q Did you find that out at a later point?

12 A No. If that's true, that's the first I've heard
13 that.

14 Q So today is the first time you've heard that?

15 A Yes.

16 Q Did Mr. Altman report to you during this
17 conversation that you're describing the telephone
18 conversation that the day after--strike that.

19 Did Mr. Altman report to you when he had the
20 telephone conversation from you that he was receiving
21 intense pressure from the White House not to recuse
22 himself?

1 A No.

2 Q Did Mr. Altman tell you that at the meeting, the
3 February 2nd meeting, that Maggie Williams took the position
4 that he shouldn't recuse himself?

5 A No.

6 Q Did Mr. Altman inform you in the the telephone
7 call that he had been advised by Secretary Bentsen to recuse
8 himself?

9 A No.

10 Q Did Mr. Altman tell you in the telephone call
11 that Jean Hanson from the Treasury, General Counsel from the
12 Treasury, had advised him to recuse himself?

13 A No.

14 Q Did Mr. Altman tell you in the telephone call
15 that the General Counsel of the RTC had advised him to
16 recuse himself?

17 A No.

18 Q Now did Mr. Altman tell you in the telephone call
19 that the day after the February 2nd meeting he had come back
20 to the White House and had another meeting?

21 A No.

22 Q Did he tell you that at that meeting he had told

1 the White House that he wasn't going to recuse himself?

2 A That he didn't tell me about?

3 (Laughter.)

4 Q So he didn't mention anything about the meeting
5 on the third that he said he wasn't going to recuse himself?

6 A No.

7 Q So he didn't tell you that he was congratulated
8 for that decision?

9 A No.

10 Q Was that February 3rd meeting discussed by the
11 Whitewater Response Group?

12 A Not while I was present, no.

13 Q Was Mr. Altman's decision not to recuse himself
14 discussed by the Whitewater Response Group?

15 A His decision not to recuse himself?

16 Q Right.

17 A No.

18 I mean, not in that manner, no--fashion.

19 Q In what fashion was it discussed?

20 A I believe that we at some point--I'm not even
21 sure--had a discussion about--before his Congressional
22 hearing--that he might be asked to recuse himself at the

1 hearing by the Republicans.

2 We had had a general concern dating back to when
3 Ricki Tigert was before the Committee and had been asked to
4 recuse herself, and at the time had said she would not; that
5 there should not be a sort of a--that being a Clinton
6 appointee should not, in and of itself, be a basis for
7 recusing on any matter; and that there should have to be
8 some factual basis for recusing.

9 There was a discussion about whether or not--you
10 know, we assumed he would be asked--and there was some
11 discussion about what he might respond, which we didn't
12 know, you know. And that was sort of it.

13 But I don't remember when his testimony was, but
14 it was much closer to his testimony than it was to any of
15 these events.

16 Q Was there discussion with Mr. Altman--was there
17 discussion from the White House to Mr. Altman or anyone at
18 Treasury that Mr. Altman should hang tough and not recuse
19 himself?

20 A Not that I'm aware of.

21

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1 EVENING SESSION
2 COMMITTEE CONFIDENTIAL

3 (6:00 p.m.)

4 BY MR. CODINHA: (Resuming)

5 Q So the discussions merely happened at the White
6 House and they weren't conveyed to Mr. Altman?

7 A I didn't convey them to Mr. Altman. And I don't
8 know whether anybody else did or not.

9 Q Were you aware that Q&As were prepared for Mr.
10 Altman relating to this subject prior to his testimony?

11 A No.

12 Q Was part of the discussion that you are now
13 referring to, did you see Q&As that had been sent over by
14 Treasury to the White House for review?

15 A No.

16 Q Were you aware that Neil Eggleston had reviewed
17 these Q&As for Mr. Altman as to how he should respond to the
18 question of recusal?

19 A No.

20 Q Did the Whitewater Response Group or any subgroup
21 of that group discuss how Mr. Altman should respond to that
22 and convey that to anyone at Treasury?

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1 A Again, we discussed the matter.

2 I did not convey it, and I do not know of anyone-
3 -I do not know that anyone else conveyed it.

4 There was a discussion about, again, about
5 whether or not without a factual basis people should recuse,
6 and a general belief on our part that it set a bad precedent
7 for people simply because they were asked to recuse, or even
8 if there was a threat of a hold on them, which is what
9 happened in the Ricki Tigert case, that we would
10 automatically in order to get our appointees through, would
11 agree to that.

12 Just as a matter of precedent, that did not sound
13 like a good thing to do.

14 Now Ricki Tigert in the end on her own made the
15 decision to recuse. But the discussion was more this
16 general discussion about, you know, that administrative
17 officials should not, merely because of the fact that they
18 are dominated by this President, that in and of itself
19 should not be a basis for recusing.

20 Q Was that information that you have just discussed
21 that was discussed at the White House, the policy or
22 philosophy behind recusal, conveyed to anyone at Treasury or

1 to anyone at the RTC, or to Mr. Altman?

2 A Well, not by me, and I don't know whether it was
3 conveyed by anyone else.

4 Q But it was an important policy concept for the
5 White House, was it not?

6 A Important--

7 MR. SNYDER: Objection as to form. That is
8 leading and argumentative.

9 BY MR. CODINHA: (Resuming)

10 Q Well, do you believe that that was an important
11 policy for the White House?

12 A Again, I don't know if I would describe it as
13 important. And again, these were at, you know, you might
14 ask 10 different people and you might, you know--my view
15 was, and there may be other people who disagree, but my view
16 was that we were setting a bad precedent if we were going to
17 just allow members of Congress of either party--these were
18 mostly Republicans who were doing it--to, simply because it
19 suited their purpose, to try to ask a person to recuse when
20 there was no suggestion that they had any sort of long-term
21 relationship, any background, any basis for that recusal
22 other than the fact that they had been nominated for the

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1 position they were in by the President of the United States;
2 that that set a bad precedent and therefore we should not do
3 that.

4 I am not sure, you know, you might get 10 people
5 in the White House and you might have--I guess there are
6 only 2 views on that, 2 different views, although probably
7 in our White House you may have 10 different views on it.
8 But that was my position when we had those discussions, and
9 most of the discussions frankly revolved around Ricki
10 Tigert's nomination.

11 I voiced that.

12 She in the end on her own made the decision to
13 recuse.

14 I believe today it was a bad precedent.

15 Q Was Ricki Tigert, was she an appointment for
16 Treasury?

17 A No.

18 She was an appointment, I don't even know what--
19 FDIC? An FDIC appointment.

20 Is that Treasury? That's another one of those
21 groups that I'm not quite sure. It has some relationship
22 with Treasury, but I think the Secretary of the Treasury may

1 serve on the FDIC Board.

2 Q Were you aware of a meeting that was called in
3 early--I am now turning your attention to early January, the
4 first week of January, of a meeting that was called of
5 Cabinet-level officials including Secretary Bentsen to come
6 to the White House to discuss Whitewater?

7 MR. SNYDER: I object if it doesn't relate--oh,
8 including Bentsen?

9 MR. CODINHA: Yes.

10 MR. SNYDER: I'm sorry.

11 I withdraw my objection.

12 THE WITNESS: I don't believe I was.

13 BY MR. CODINHA: (Resuming)

14 Q Do you know who Christine Barney is?

15 A She's the cabinet secretary.

16 Q When you say she's the cabinet secretary, does
17 that mean she is a member of the Cabinet?

18 A No.

19 She is the White House staff person who
20 coordinates activities that involves the Cabinet.

21 Q Have you heard before today that a meeting was
22 called of Cabinet people such as Mr. Reich--

1 (Pronunciations perfected.)

2 A 'R-i-i-s-s-h'.

3 Q Reich, Mr. Riley, Mr. Babbitt, and Mr. Bentsen to
4 discuss Whitewater matters?

5 A No.

6 I think today is the first day I have heard that.

7 Q Have you heard that before Mr. Bentsen could go
8 to that meeting, Ms. Barney rushed over and urged him not to
9 attend the meeting?

10 A No.

11 Q Because he sat as a member of the Oversight Board
12 for the FDIC and there would be a conflict issue?

13 A No.

14 I mean, this is the first I've heard of it.

15 Q Did you become aware in early February, around
16 February 3rd, the day after the February 2nd meeting, of a
17 FAX that was received by Mr. Nussbaum from Ms. Hanson? I
18 will show it to you.

19 (Handing document to the witness.)

20 A I received a copy of a FAX.

21 MR. SNYDER: Why don't you look at it.

22 BY MR. CODINHA: (Resuming)

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1 Q It is our numbers 1130 through 1147. I'm sorry,
2 I may have forgotten.

3 It is X0001130 through X0001137.

4 A Yes.

5 Q Did you see that at or around the time it was
6 received?

7 A At some point Barney sent me down a copy of
8 this.

9 Q What was the reason you received it, if you
10 know?

11 A Well, again, Jim Leach was writing a letter
12 enclosing what he claimed to be a memo from his staff, and
13 again I think he was just giving it to me for informational
14 purposes so I would be aware of it.

15 Q Did you have any discussions with Mr. Nussbaum
16 about the contents of the document you had received from
17 Treasury--that he had received from Treasury?

18 A The answer to that is, I don't have any memory of
19 it.

20 Bernie and I would discuss matters like this both
21 casually and officially. I don't know whether we discussed
22 this particular document or not.

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1 Q When you saw the document, did you see to whom it
2 was addressed--and I don't mean just the FAX; I mean the
3 letter enclosing it.

4 A I assume. I didn't pay much attention to it, but
5 I assume I saw it.

6 I think Mr. Leach released this to the press at
7 the same time he sent it.

8 I mean, there were stories all over the press the
9 day after this. I don't think Mr. Leach intended this to be
10 a private document.

11 So none of that had any significance to me
12 because I think all of this was released publicly at the
13 same time the letter was sent.

14 Q And what is your source to believe that it was
15 released publicly at the same time the letter was sent?

16 A I was getting calls--I don't know.

17 Again, I don't remember, but at some point I was
18 getting calls from the press about this asking questions
19 about this, asking questions about these documents.

20 I don't know if I can tell you what day I got
21 those or what, I but I did not have a sense at the time
22 that, you know, that this was something separate and

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1 distinct and apart from his sending these letters and either
2 giving them to the press or leaking them to the press.

3 You can look and see if there were Washington
4 Post or Washington Times stories on February the 4th, but if
5 I were a betting man I would bet that there were.

6 Q This FAX at the top is time and dated February
7 3rd, is it not?

8 A It's dated here February the 3rd. Up here it is
9 2/3/94, 17:31, maybe.

10 Q So it would appear that that was sent on the same
11 day that the letter was received, or that the letter is
12 dated to Mr. Altman?

13 A Yes.

14 Q Do you have any reason to believe--do you have
15 any basis to believe that the eternal document had already
16 gone to the newspapers when it was sent from Treasury to the
17 White House?

18 A I have no basis--no, because I simply don't know.
19 Mr. Leach was not doing--well, no.

20 (Documents are returned to staff counsel.)

21 BY MR. CODINHA: (Resuming)

22 Q I would like to show you a document that is

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1 listed as X001160 through X001168.

2 Do you recognize what it is? It is titled in its
3 beginning "Chronology."

4 (Handing document to the witness.)

5 (Pause.)

6 A Yes.

7 Q What do you recognize it to be?

8 A I believe it was a chronology prepared by Neil
9 Eggleston.

10 Q At whose instruction?

11 A That I don't know.

12 Q Was it prepared for you?

13 A I think I saw it.

14 I don't think it was prepared for me.

15 Q What was it to be a chronology of?

16 A Of various events that had occurred with respect
17 to these matters.

18 Q "These matters" being--

19 A I believe--you know, part of it is redacted, but
20 clearly the matters that are reflected either have to do
21 with Vince's death or the documents in Vince's office; the
22 Washington Times' report of the Park Police Report; the

1 statement I issued about delivery of documents to the
2 Special Counsel's office.

3 I mean, I don't want to characterize what the
4 rest of the document is since counsel's office apparently
5 redacted it.

6 Q I would like to show you X001169 through X001174.
7 Do you know what that is?

8 (Handing document to the witness.)

9 (Pause.)

10 A Not from the first page.

11 (Laughter.)

12 This appears to be a separate chronology.

13 This appears to be, although it is very difficult
14 obviously since all but two references have been deleted or
15 redacted, to be a chronology.

16 Q Do you know who prepared it?

17 A Not from this document I don't.

18 Q Do you know what purpose it was prepared for?

19 A Not from this particular document.

20 Q In looking at the content that is in there, can
21 you tell what it was prepared for?

22 A It appears to just simply be a chronology. What

1 the purpose was, or who prepared it, I just don't know.

2 Q Is it a separate chronology from the chronology
3 that you were shown first?

4 A Yes.

5 Clearly the one here has "chronology" at the top,
6 and a draft, and WNE, which are Neil's initials.

7 This one has no reference like that.

8 The format seems to be slightly different. So
9 they are separate chronologies.

10 I am basing the fact that it's a chronology on
11 the fact that it has "1993" in it.

12 (Document returned.)

13 Q I would like to show you Exhibit X001156 through
14 1159.

15 Have you seen that document before?

16 A Yes.

17 Q When did you see that before?

18 A Oh, I think I saw it sometime shortly after it
19 was prepared.

20 Q Who prepared it?

21 A Well it's from John Podesta and Neil Eggleston.

22 Q And who is it to?

1 A It is "To the File."

2 Q What file is that?

3 A I don't know.

4 I mean, I assume it was one of their files.

5 I assume this was a format they used in order to
6 prepare this information. I have no idea what reference "to
7 the file" is.

8 Q Do you prepare memos yourself and make them to
9 the file?

10 A I have.

11 Q When you do that, what file are you using?

12 A Usually I have a file that relates to that
13 matter. I mean, you know, it's a lawyer's deal.

14 Q On Exhibit X001179-80, your October 20th, 1993,
15 memo, that is your memo, isn't it?

16 A Right.

17 Q That also says "to file"?

18 A Yes.

19 Q What file is that being sent to?

20 A I don't know.

21 You know, basically again as I was saying, this
22 is more of a lawyer's deal. It's basically just a way of

1 memorializing what occurred.

2 I can't tell you whether on October the 20th,
3 1993, I had a Whitewater Development Corporation file. It
4 could well be that after I did this my secretary would have
5 prepared one so she would have some place to put this; but
6 this was not prepared with a file in mind. It was prepared
7 as a way to memorialize what had occurred at this meeting.

8 Q Do you know who--was Dee Dee Myers a press
9 secretary?

10 A She is the press secretary.

11 Q For the President of the United States?

12 A Yes.

13 Q I would like to show you a document numbered
14 X00889 and 90.

15 (Handing document to the witness.)

16 Do you recognize what that document is?

17 A (Pause.)

18 I know what it is only because it says at the top
19 what it is.

20 Q Have you seen that document before today?

21 A No.

22 (Pause.)

1 No.

2 Q Do you recognize the handwriting on the
3 document?

4 A No.

5 Q Have you seen Ms. Myers handwriting before?

6 A Not enough to be able to recognize it.

7 Q Your name appears on the second page of the
8 document, and extension 2668. Do you know what that refers
9 to?

10 A My extension in the White House is 2668.

11 Q And at the bottom of the page it appears to say,
12 "Roger said" and then there is a listing:

13 "(1).Subst contact with WH staff. I initiated.
14 Gene and I requested to describe procedures 2/28 deadline.
15 Explain process RTC would follow. That was the whole
16 conversation. He was asked one question."

17 Do you know what that refers to?

18 A It sounds like she--well, I'm speculating. It
19 sounds like she spoke to Roger about his meeting.

20 Q And then there's a bullet and it says:

21 "Had no contact with" looks like "HRC, BC".

22 Do you know what that refers to?

1 MR. SNYDER: I would instruct the witness not to
2 speculate.

3 THE WITNESS: Yes. I mean, I know who HRC and BC
4 is, but I've never seen the document and I don't know
5 anything about--if that's Ms. Myers handwriting--about her
6 conversation with Roger, if that is what that refers to.

7 BY MR. CODINHA: (Resuming)

8 Q There's a bullet that says "RTC had no other
9 contact" and then there's an ellipses and it says "...not
10 true. WH informed him different memory" and then there's an
11 ellipses, and then it says "...assume he'll amend next
12 week."

13 Do you know what that refers to, that last
14 bullet?

15 A I can--I think I know what that refers to.

16 Q What do you believe it refers to?

17 A After Roger testified there was a concern, after
18 he testified, about his reference to one contact--or maybe
19 we knew more than he knew. And I think we looked at it to
20 see whether or not it referred only to him, or whether it
21 referred to Treasury, or whatever.

22 But we believed, "we" being the people in the

1 White House, believed that it was misleading if it was
2 broader than just Roger, and felt like he should correct it
3 in some way, not to leave this misimpression.

4 We had a discussion about that somebody should
5 tell him that we believe that there may be more meetings, or
6 different meetings than he had referred to, and that he
7 should probably correct his testimony in some way.

8 So the White House informed him "different
9 memory" that our understanding of it was that there were
10 more than just the one contact he had mentioned at the
11 hearing, and that he should probably correct that.

12 Q And when you say there were discussions at the
13 White House, who were these discussions among?

14 A I think John Podesta and myself, Bernie, and I
15 think Neil. I'm not sure.

16 There may have been somebody else in there, but
17 they had reviewed his testimony and felt like that it left
18 the wrong impression and therefore should be corrected.

19 Q Were you present at those discussions?

20 A The discussions in the White House?

21 Q Yes.

22 A Yes.

1 Q And--

2 A I was present at "a" discussion. I don't know if
3 there was more than one.

4 Q At that discussion did people talk about the
5 contacts that had been made between the White House and the
6 Treasury?

7 A Well, most of the people there--by then he had
8 said that there was a February 2nd contact.

9 Most of the people there, perhaps John Podesta
10 being the exception, were present at the October 14th
11 meeting. So there wasn't--and to the extent that the
12 question--I guess you would have to go back and look at the
13 question--we believed the question was broader than just
14 simply Roger Altman, and that therefore there should be--you
15 know, that it was leaving a misimpression if the impression
16 left was that that was the only meeting that anybody from
17 the RTC or from Treasury had had with anybody at the White
18 House, and that that should be corrected.

19 Q Do you believe Dee Dee Myers was a party to that
20 conversation?

21 A I do not believe so, but I don't know that.

22 Q This memo would seem to indicate that it was,

1 because it is on her telephone log for Dee Dee Myers, does
2 that lead you to believe it was Ms. Myers who contacted Mr.
3 Altman?

4 A Well again I'm speculating.

5 MR. SNYDER: Don't.

6 THE WITNESS: I don't have any idea.

7 BY MR. CODINHA: (Resuming)

8 Q Who, if anyone, was tasked, or asked to contact
9 Mr. Altman to amend or expand his testimony?

10 A Joel Klein I think was also at the meeting.
11 I believe that John Podesta--It was decided that
12 John would call and indicate that, while he may not have
13 been aware of it, there were at least one other contact, and
14 that he should amend his testimony.

15 Q Was there any effort made at that meeting to
16 chronicle all of the contacts that had been made between the
17 White House and Treasury or RTC so that Mr. Altman when he
18 amended his testimony could do it accurately?

19 A No.

20 Q Was there a reason why that wasn't done?

21 A I believe that most of us--sort of the operating
22 assumption was that the only thing we were talking about was

1 the October 14th meeting.

2 I was unaware at least, and it wasn't discussed,
3 that--you know, you mentioned, taking what you say as being
4 accurate--that there was a February 3rd meeting. I was
5 unaware of that.

6 So I mean, again, I knew, to the extent that the
7 question and the answer suggested that there was not an
8 October 14th meeting, that it was inaccurate.

9 Again, we had no discussion of, well, how many
10 were there, and who they were with; it was simply a matter
11 of that's just not correct. He probably needs to correct
12 it. Somebody needs to call over there and indicate that we
13 believe he should correct the record.

14 Q At that time--do you remember when this
15 conversation occurred?

16 A Shortly after his testimony.

17 Q He testified February 24th if that's helpful to
18 you.

19 A A couple of days thereafter there was a written
20 text of his comments. I don't know how fast those are
21 prepared, and there was a written text of his remarks. We
22 could see the questions and look at the answers, but I don't

1 have any idea when the date was.

2 Q Was there any discussion at that meeting that Mr.
3 Altman should be advised to amend his testimony with respect
4 to the fact that he had discussed recusal at any of these
5 meetings?

6 A Again I'd have to look at the question and what
7 his response was with respect to that question. I can't
8 tell you, frankly.

9 Q But as we sit here today, you don't recall that
10 being a subject of discussion?

11 A No.

12 If you--no, not specifically.

13 Q Did you speak to Mr. Altman after this discussion
14 that he should amend his testimony?

15 A No.

16 Q Were you advised as to whether Mr. Altman was
17 going to amend or expand his testimony?

18 A I think several days later we saw the letter he
19 sent. I don't have any memory between the time of this
20 meeting and the time the letter came out that I had any
21 knowledge about whether or not that had even been conveyed
22 to them, or whether or not he had agreed, or what.

1 Q Did you review the March 2nd letter that Mr.
2 Altman had sent?

3 MR. SNYDER: After it was sent?

4 BY MR. CODINHA: (Resuming)

5 Q After it was sent?

6 A After it was sent, yes.

7 Q What was the reason you reviewed the March 2nd
8 letter after it was sent, if you had a reason?

9 A I don't know if I had a reason. Somebody
10 probably just showed it to me.

11 Q Did you review it to see whether it was
12 accurate?

13 A Well we had some discussion about whether or not
14 it fully was accurate, yes.

15 Q Who is the "we"?

16 A Again, I don't have--I don't--I know I
17 participated in the discussion. I don't know whether--I
18 don't know who with. I don't have a sense--it wasn't like a
19 formal meeting like the other one was.

20 Q Was it a discussion with people at the White
21 House?

22 A Yes.

1 Q And you had received this letter from the
2 Treasury Department?

3 A I don't know.

4 He--I don't know. I don't know.

5 Q You reviewed it and discussed whether it was
6 accurate, and what was that discussion?

7 A Again, I don't have any memory of it other than
8 I--we had a--I had a discussion with someone, either the
9 person that brought me the letter or someone else, about
10 this may not quite do it.

11 Q And when you say "this may not quite do it," what
12 do you mean?

13 A Well, I can't tell you because I don't even
14 remember what he said in that letter. If I looked at that
15 letter, I could probably tell you, you know, whether or not
16 I thought it was fully responsive based upon what I knew the
17 facts to be. But since I don't remember that letter, I
18 don't have any idea.

19 Q Was this a concern that you raised, or a concern
20 that somebody else in the White House raised that Mr.
21 Altman's second letter, the letter of March 3rd, might not
22 quite do it?

1 A Again, I don't know whether or not--I don't know
2 who raised it, or whether, you know--someone brought me the
3 letter, or I saw the letter.

4 I then had a conversation with someone.

5 Whether they said I don't know if that's fully
6 correct or not, or whether I said, yes, that's not quite
7 fully correct, either, I don't know. Since I don't remember
8 the letter, I don't remember what he said in that letter and
9 it is hard for me to guess as to how he did it.

10 Q Was there any contact with Mr. Altman--was there
11 any contact from the White House to Treasury or to Mr.
12 Altman that the March 3rd letter didn't quite do it; you'd
13 better send yet another letter?

14 A Not that I'm aware of.

15 Q Did you become aware that he sent yet another
16 letter--

17 A Yes.

18 Q --to correct his testimony or to expand his
19 testimony?

20 A Yes.

21 Q And did you review that letter?

22 A I'm sure I saw it. I don't know--again, I don't

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1 have any specific recollection, but I'm sure I saw it.

2 Q When you read that letter, did you read it alone
3 or with somebody else?

4 A Again, I don't know.

5 Q Was there some discussion at the White House with
6 respect to the third letter?

7 A I don't know the answer to that.

8 Q Do you recall, is that the letter of March 11?

9 A Again, I don't have any idea.

10 Q Following the letter of March 11th, 1994, did you
11 become aware that Mr. Altman had written yet another letter
12 to correct and expand his testimony?

13 A Yes.

14 Q When did you become aware of that?

15 A I'm sure it was shortly after he did it.

16 Q How did it come about that you received that
17 letter, if you know?

18 A I don't know.

19 Q When you reviewed it, what was your purpose in
20 reviewing it?

21 A It was just handed to me.

22 Again, this is something that I was involved

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1 with. Paper and information that related to it would come
2 across my desk and I would read it.

3 Q Did you feel that Mr. Altman's March 21st, 1994,
4 letter completely disclosed the contacts that had occurred
5 between the White House and Treasury?

6 A Again I'd have to review the letter.

7 It's hard for me to remember what facts I know
8 now, including the facts you've told me today, and the facts
9 I had at the time. So I don't know if I would have known
10 whether it was fully responsive.

11 Q When you read the March 21st letter, the letter
12 of March 21st--and I will tell you there is a letter of
13 March 21st--did you feel that finally it was done? Or that
14 yet something more needed to be done?

15 MR. SNYDER: Let me express caution here. If the
16 witness can answer that question without seeing the March
17 21st letter, it is fine with me; but I sense the witness is
18 not sure which letter is which. It might be helpful to see
19 the letter.

20 BY MR. CODINHA: (Resuming)

21 Q Would it help you to look at the letter?

22 A Absolutely.

1 Q Oh, I'm sorry. I didn't mean--

2 A Absolutely.

3 Q I'm not going to bother marking this as an
4 exhibit, but it is a part of the record. It is on pages
5 336, 337, 338, and 339 of the Semiannual Report of the
6 Resolution Trust Corporation Thrift Deposit Protection
7 Oversight Board of 1994.

8 (Handing document to the witness.)

9 MR. SNYDER: Now the pending question is about
10 his reaction to the March 21 letter?

11 MR. CODINHA: Right. I believe he is looking at
12 the March 2nd letter now.

13 MR. SNYDER: And I take it you are asking him
14 what his reaction or state of mind was at the time that
15 he--

16 MR. CODINHA: When he looked at the March 21st
17 letter.

18 MR. SNYDER: --initially reviewed those letters,
19 the March 21st letter.

20 (Pause.)

21 THE WITNESS: And your question is?

22 BY MR. CODINHA: (Resuming)

1 Q After reviewing the March 21st letter, did you
2 feel that Mr. Altman had by then fully complied and
3 disclosed all the contacts that had occurred between the
4 White House and the Treasury Department, or RTC that he had
5 been asked about?

6 A Of which Mr. Lindsey was aware, I presume is
7 implicit in your question.

8 Q Of which Mr. Altman was aware or knew about--
9 well, yes, I guess it has to be which Mr. Lindsey knew
10 about.

11 A Well, again, I don't know whether the question
12 related to contacts or to meetings. So I guess you'd have
13 to know what question he was asked at the hearing and the
14 subject of those meetings.

15 To the best of my knowledge, by the time these
16 four letters were added to the record, it would seem to me
17 like my knowledge of what occurred had been fully related.

18 Now I must say, if I read the letter of March 11,
19 it does reflect that Roger said that he had a meeting--a
20 brief discussion, and since he says that it was with Harold
21 and there were several others in the room, so again I did
22 not remember it, but apparently, since I think I read this

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1 letter, I guess I would have known that he had another
 2 meeting with the White House shortly after the February
 3 2nd meeting in which he had the discussion that is related
 4 here.

5 MR. SNYDER: You are saying you would have
 6 learned it upon the time you read the March 11th letter?

7 THE WITNESS: Right. You ask me today whether I
 8 knew before today of you said a February 3 meeting, and I
 9 didn't think so. I read the March 11 letter, which I assume
 10 refers--it says a day or two later I think, one or two days
 11 after our meeting--I did not relate that until your
 12 question, but apparently I would have been aware, having
 13 read this, that he had a meeting one or two days after the
 14 February 2nd meeting with Harold and others.

15 BY MR. CODINHA: (Resuming)

16 Q Okay. So that was his first mention in the March
 17 11th, 1994, letter, he says in the second paragraph:

18 "I would like to amend the record to reflect one
 19 additional contact one or two days after my meeting. There
 20 was a very brief discussion on the issue of recusal."

21 And that is the first time anywhere in his
 22 testimony or in the letters that recusal is mentioned.

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1 A Again I don't know that to be fact, but--

2 Q Well, we will ask Mr. Altman that. It is not
 3 fair to ask you.

4 A All I have wanted to correct was, I saw this
 5 letter. If I told you earlier that the first time I heard
 6 about a February 3 meeting was today, as I think I may have
 7 said, I apparently was aware of a February 3 or 4 meeting--
 8 at least in general I would have known it because I would
 9 have read it in this letter. I possibly didn't remember
 10 that I had read it, or that it was in this letter.

11 Q Did you have a meeting with Mr. Altman on or
 12 around March 5th, 1994, in which you discussed staffing of
 13 the RTC?

14 A Possible. I don't remember.

15 Q In which you would have discussed Mr. Altman's
 16 ability to appoint a CFO and General Counsel himself, or for
 17 the RTC to appoint?

18 A Without White House involvement?

19 I don't know the question.

20 Q Well, do you know did you have a discussion on or
 21 about March 5th, 1994, with Mr. Altman that discussed
 22 whether he had the authority to appoint a CFO and General

1 Counsel himself, or whether they needed White House
2 authority to do that?

3 A I don't remember any such conversation. I mean,
4 we had CFO as opposed to CEO.

5 Earlier on I had had a conversation with Roger
6 about the appointment of all three positions.

7 Q CFO, CEO, and General Counsel?

8 A And General Counsel, which I guess are the only
9 three political positions over there, in which I indicated
10 that because there was a feeling in the African American
11 community that the African American community was not being
12 treated fairly in various RTC contracts that were awarded
13 and in other matters, that I felt like at least one of the
14 three should be an African American.

15 So clearly we were involved in the appointment of
16 all three.

17 The answer to your question is, I don't
18 remember any specific conversation on March the 5th related
19 to that.

20 Q Do you recall it being earlier?

21 A I remember having conversations with Roger about
22 the appointment of the various people over there. We

1 recommended--I am drawing a blank on his first name--
2 Mr. Tate in July of '93 who is a white male.

3 At one point they wanted to, shortly thereafter,
4 to name someone as General Counsel who was either a white
5 male or a white female.

6 That left only the CFO, if we were going to put
7 any diversity in there.

8 I expressed some concern about sort of
9 piecemealing these decisions out so that we got to the end
10 of the line and someone said, well, gee, I know we have
11 already appointed two whites, but the only person we can
12 find who is qualified is another white. And I didn't want
13 that to happen.

14 So I said that I wanted us to have both the CFO I
15 think and counsel at the same time so that we would not get
16 caught in a bind of up with three whites necessarily. But
17 again, I think all of that predated all of this.

18 Q I have a document, C0006, which is dated March
19 5th of '94, which is a memo from Altman to Bentsen
20 indicating a meeting with you.

21 I would tell you, however, we have had some
22 experiences with the RTC or Treasury computers which causes

1 them to print out the date as being the date that the
2 request is made to pull the document up, as opposed to the
3 date when an incident happened.

4 A Well, again I'm not sure, but the meeting with
5 Bruce Lindsey, as I read this--and you can read it as well
6 as I--is saying that Bentsen should meet with me. I'm not
7 sure he's saying that he had had a meeting with me.

8 "I would appreciate it if you could ask Bruce
9 about RTC staff."

10 So I read this as Roger asking Bentsen to meet
11 with me to discuss this matter, not that he had met with me
12 to discuss this.

13 Q Okay. And I apologize if I misled you on that,
14 but the question is: Did that happen on or about March 5th?

15 A I do not remember meeting with Roger or Bentsen.
16 The fact of the matter is, by March 5th, 1994, I was no
17 longer directly involved in personnel. So my guess is that
18 that document relates to--well--

19 Q To an earlier?

20 A I don't know. I'm not sure why Roger would be
21 asking Bentsen to meet with me in March of '94 to discuss
22 personnel staffing, since I no longer was in personnel.

1 Q Let me ask you.

2 Did you at some point in February of 1994 become
3 aware that Mr. Stephanopoulos had made a telephone call to
4 Mr. Steiner at the Treasury Department which related to Mr.
5 Altman's recusal?

6 A No.

7 Q Did you become aware at any time that Mr.
8 Stephanopoulos had made a telephone call to Mr. Steiner
9 which discussed the hiring of Jay Stevens?

10 A Well, to shorten it, I don't know if I knew about
11 either--about anything involving George until I read about
12 it in Newsweek.

13 Q Did you talk to Mr. Stephanopoulos at any time
14 about what you read in Newsweek?

15 A After I read it?

16 Q Yes.

17 A I don't think so.

18 Q Was there a reason you didn't talk to Mr.
19 Stephanopoulos about that subject?

20 A Yeah. I think the Newsweek article suggested
21 that there were people out there speculating that there was
22 criminal activity involved.

1 There was no purpose at that point of being
2 involved in that. So, again, by then that was actually the
3 Grand Jury was empaneled. I think at that point none of us
4 were talking to each other just out of, you know, because it
5 might be inappropriate.

6 Actually it's because my counsel told me not to
7 talk to anybody.

8 (Laughter.)

9 Q Did you become aware that on or about February
10 25th Mr. Stephanopoulos and Mr. Ickies made a telephone call
11 to Mr. Altman in which they discussed the fact that the
12 President was angry about Mr. Altman's recusal?

13 A Not until it was made public later.

14 Q Did you become aware at or about February 25th
15 that Mr. Stephanopoulos and Mr. Ickies had made a telephone
16 call to Mr. Altman in which the firing of Mr. Stevens was
17 discussed?

18 A No.

19 Q Have you ever had any discussion with Mr.
20 Stephanopoulos or Mr. Ickies about the second telephone
21 call, the one to Mr. Altman?

22 A No.

1 Q Have you discussed either of those telephone
2 calls with anyone else at the White House?

3 A Not in any sort of substantive way.

4 I mean, again we had discussions about the
5 picture on the cover of Newsweek.

6 But I have not had any substantive discussions
7 about what was said or not said. It was more just talking
8 about the fact that it was out there.

9 Q Have you ever been present at any time when Mr.
10 Stephanopoulos has stated that he called Mr. Steiner and
11 suggested that Mr. Stevens should be removed or fired?

12 A I don't think so.

13 Q Have you ever been present when Mr. Ickies
14 indicated that he called Mr. Altman and suggested that Mr.
15 Stevens should be removed or fired?

16 A Not that I'm aware of.

17 MR. CODINHA: All right, I think that concludes
18 my questioning.

19 You may inquire, sir.

20 MR. CHERTOFF: I think it might be a good idea to
21 take a short break.

22

EXAMINATION

BY MR. CHERTOFF:

Q Just to remind you, my name is Michael Chertoff. I am the special counsel on the Republican side with respect to this matter.

Let me direct your attention to the beginning of October 1994.

Your testimony is that the first time you had a conversation with Mr. Eggleston or Mr. Sloan concerning the matter of Whitewater was approximately at the beginning of October?

A Correct.

MR. SNYDER: Are you referring to 1993?

MR. CHERTOFF: I'm sorry; 1993.

BY MR. CHERTOFF: (Resuming)

Q It was the beginning of October?

A Either the last day of September, the last day or two of September, the first day of October; yes.

Q Did they relate to you in this conversation that they had had a meeting with somebody from Treasury?

A Well again the first meeting was not with both of them, I don't believe.

Q The first meeting was with Mr. Sloan?

A I believe so.

Q Is it your recollection that there were two meetings with Mr. Eggleston and Mr. Sloan, and one with Mr. Sloan alone?

A No.

My memory is that there was one with Mr. Sloan, and one with Mr. Sloan and Mr. Eggleston. Their memo to me reflects that they at least tried to see me a second time. I have no memory of that. It could well have occurred.

Q How did Mr. Sloan approach you with respect to the first meeting concerning this matter of Whitewater?

A I think he indicated to me that Bernie thought he should tell me this information.

Q Had you ever previously discussed with Mr. Sloan the matter of Whitewater?

A No; not that I remember.

Q Had you earlier discussed the matter of Whitewater with Mr. Nussbaum?

A I don't think so.

Q When Mr. Sloan began to describe the facts that he was telling you, did you have to refresh your memory with

1 anything concerning the subject he was telling you?

2 A He wasn't telling me any facts with respect to
3 Whitewater. He was simply telling me that there had been an
4 inquiry at Treasury about an RTC referral that mentioned
5 either Clinton--I don't remember; he didn't say both, but
6 one or the other, either Clinton or the Clinton for Governor
7 Committee.

8 Q Did you take notes in that very first
9 conversation?

10 A Not that I can find. I may have taken them and
11 thrown them away. I tend to doodle some, but I don't have
12 any notes of it.

13 Q In the conversation you had with Mr. Sloan on the
14 first occasion, did he mentioned nine referrals?

15 A I don't believe so.

16 Q Did he mention that the Clintons would be named
17 in the referrals in some way?

18 A I think he said that the referral either
19 mentioned Clinton or mentioned the Clinton for Governor
20 Committee.

21 Q Did he mentioned the fact that there had been a
22 previous referral the year before?

1 A No.

2 I learned that separately.

3 Q Did he mention a conspiracy referral, one
4 relating specifically to a conspiracy charge?

5 A No.

6 Q After this conversation was done--I'm sorry, one
7 more question.

8 Did he talk to you about the identity of the RTC
9 investigators who were handling the matter?

10 A No.

11 At the first meeting?

12 Q The first meeting.

13 A No.

14 Q Did he mention Gene Lewis to you?

15 A No.

16 Not that I remember.

17 Q Did you ask him where he had gotten the
18 information concerning the nature of the referrals?

19 A I have no memory of that, no.

20 Q Did you wonder where he had gotten the
21 information concerning the nature of the referrals?

22 MR. SNYDER: Well, excuse me. I think the

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1 witness has already testified that Mr. Sloan said there had
2 been press inquiries to Treasury. So I think that answers
3 your question.

4 MR. CHERTOFF: That only explains the occasion
5 for the meeting. It doesn't explain the totality of the
6 source of information.

7 THE WITNESS: I may be misunderstanding your
8 question.

9 BY MR. CHERTOFF: (Resuming)

10 Q Did Mr. Sloan tell you where he got the source of
11 his information concerning what he was telling you was in
12 the referrals?

13 A He didn't tell me what was in the referrals.

14 Q Well he told you certain names were mentioned;
15 correct?

16 A He told me--I think so.

17 Yes.

18 Q And did he tell you that everything he was
19 telling you had come out of the mouth of a reporter?

20 A Again, I don't--I can't tell you what happened or
21 what was said in the conversation because I don't remember
22 what was said.

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1 Basically the information that he imparted to me
2 was that there were reports of a referral that mentioned in
3 some way or fashion either the Clintons or the Clinton for
4 Governor Committee.

5 Q Now after you heard this, what did you ask him to
6 do?

7 A Nothing.

8 If I asked him anything, I probably said, you
9 know, if you hear anything more, let me know.

10 Q And did he indicate to you he'd let you know if
11 he heard something more?

12 A Did he indicate to me?

13 He didn't say, no, I won't.

14 Q Did he mention The Early Bird in that
15 conversation?

16 A No.

17 Q Now the next time you dealt with Mr. Sloan on
18 this matter was with Mr. Eggleston as well; right?

19 A I believe so, yes.

20 Q Did you ask why Mr. Eggleston had now joined the
21 discussion?

22 A No.

1 Q Did you ask Mr. Nussbaum about why Mr. Eggleston
2 had joined the discussion?

3 A No.

4 Q Is it your memory that the next time you talked
5 to Mr. Sloan--when you talked to Mr. Sloan and Mr.
6 Eggleston, then you began to take notes?

7 A Well "began to take notes" is not accurate.

8 I sometimes take notes.

9 Other times, I don't take notes.

10 There is no method to it.

11 So it was not that I began at any point to take
12 notes. It was, I did take a note of a conversation with
13 Neil and Cliff.

14 Now whether it was the next one or not, it's the
15 only one I remember. You know, there are some indications
16 that there may be more than one but it's the only one I
17 remember.

18 Q In the notes you started to take in the
19 conversation with Neil and Cliff, did you also include
20 information that Mr. Sloan had told you earlier?

21 A I don't think so.

22 Q So everything contained in these notes was what

1 you were being told on the spot?

2 A Yes.

3 Q The information on the side of the note that
4 refers to Madison and Frost FDIC/FSLIC, was that also
5 information conveyed to you by Mr. Eggleston and Mr. Sloan
6 in that conversation?

7 MR. SNYDER: That question has been fully
8 discussed. Mr. Lindsey's testimony was very clear on that,
9 that he wasn't certainly whether he was telling Messrs.
10 Eggleston and Sloan about that, or they were telling him.
11 He actually went through that in some detail.

12 BY MR. CHERTOFF: (Resuming)

13 Q Well let me start by asking you this:

14 Did this note, this either one or two sheets of
15 notes marked 1176 and 1176X, were these prepared all in one
16 sitting? Or did you keep the notes and then update what was
17 on these notes at some future time?

18 A That is one meeting. One discussion.

19 Q In this one meeting, if you told Mr. Eggleston
20 and Mr. Sloan about Madison and Frost FDIC, et cetera, was
21 that based on your recollection of historic events?

22 A If I told them that, I was trying to interpret

1 what that reference could have been in The Early Bird. And,
2 yes, it would have been--if I told them, it would have been
3 my knowledge about Madison and how the Rose Firm became
4 involved in the Frost litigation.

5 Q How did you gain that knowledge?

6 A I'm from Little Rock.

7 I went through the campaign.

8 I don't know--I can't tell you how I gained that
9 knowledge. I mean, you know, I've had--these issues have
10 all come up in the campaign, and in other forums, and I knew
11 it.

12 Q So at the time Mr. Sloan and later Mr. Eggleston
13 and Mr. Sloan came in to talk to you about this, you had a
14 prior familiarity with this issue?

15 MR. SNYDER: Which issue? Excuse me?

16 BY MR. CHERTOFF: (Resuming)

17 Q Rose, Madison, and Whitewater.

18 A Yes.

19 Q And that was based in part on the fact that it
20 had been raised during the campaign?

21 A Correct.

22 Q Were you sensitive to this as an issue that you

1 ought to pay attention to?

2 A No. I think I thought we had dealt with it in
3 the campaign and that it wasn't an issue.

4 Q At the time of the campaign, were you aware of
5 criminal referrals?

6 A No.

7 Q So was this the first time that, in connection
8 with this matter that you believed had been put to rest, you
9 heard that criminal referrals were being talked about?

10 A The criminal referrals don't refer to the issues
11 that I had knowledge of. As far as I know, there is no
12 criminal referral with respect to Whitewater.

13 As far as I know, there is no criminal referral
14 with respect to the Rose Law Firm.

15 As far as I know, there is no criminal referral
16 with respect to the Frost litigation.

17 So the information I had was not and is not, as
18 far as I know, the subject of criminal referrals.

19 Q But, Mr. Lindsey, when Mr. Sloan and Mr.
20 Eggleston talked to you at the beginning of October, did
21 they lay out to you in detail the specifics of the criminal
22 referrals?

1 A No.

2 Q Since you knew the criminal referrals--or since
3 you had been told the criminal referrals related to
4 Madison--

5 A Correct.

6 Q And since you had not been given all the details,
7 did you wonder whether the criminal referrals might touch
8 upon the issues that you had become familiar with when you
9 had to deal with the problem during the campaign?

10 A No, I did not.

11 Q Were you curious about it?

12 A No.

13 I thought I knew the Whitewater matter and
14 others, and I knew that there was no criminal activity or
15 criminal involvement, and therefore no basis from what I
16 knew that would touch on that.

17 I thought that, because there were press
18 inquiries during the campaign about Bill Clinton's
19 relationship with Jim McDougal and their partnership--
20 "partnership" not as a legal term here, but their role with
21 respect to Whitewater--that the mention of the Clintons in a
22 referral with respect to Madison was probably in passing

1 more of a Jim McDougal, who as reported in the press was a
2 partner with Bill and Hillary Clinton in Whitewater, blank.
3 Therefore I did not believe that there was any connection
4 between the Clintons and the subject matter of the criminal
5 referral.

6 Q And the reference to the 1985 Clinton Campaign
7 Committee, that didn't stir any sense of a connection?

8 A At that point that stirred nothing because there
9 was no such thing as a 1985 Clinton Committee. So I think I
10 said: I don't understand what this reference is, because we
11 run in even-numbered years, not off-years.

12 I had no reference for that term.

13 Q Do you do fund raising in off years for elections
14 in even years?

15 A Usually not. You might, but again on national
16 elections when you are running every two years as we were
17 back then in Arkansas, usually you ran a year and you
18 governed a year; you run a year and you govern a year.

19 I was unaware--well, I didn't relate it to fund
20 raising. I related it to a 1985 Clinton Committee which
21 didn't make any sense to me.

22 Q Did you ask to find out what the reference was

1 because it didn't make any sense to you?

2 A No. I just took it as information that didn't
3 make any sense to me.

4 Q Did you have another conversation with Mr. Sloan
5 and Mr. Eggleston during this period before October 14th in
6 which Seth Ward was mentioned?

7 A Again, I have said that the only conversation I
8 remember having with them is, there is a note that reflects
9 they wanted to meet with me again.

10 I have no memory of meeting with them again. So
11 the answer to that is, I might have, but I don't have any
12 memory of it.

13 Q Was there a discussion again during this period
14 before October 14th concerning the fact that the RTC matters
15 might involve Vincent Foster in some way?

16 A No.

17 Q And that you would have been sensitive to if you
18 had heard it; correct?

19 A I think so; yes.

20 Q Did you hear during this intervening period that
21 the press had interviewed Jim McDougal?

22 A No--that who had interviewed him?

1 Q The press.

2 Was this conveyed to you by Mr. Sloan or Mr.
3 Eggleston?

4 A Between the period of October the 1st and October
5 the 14th?

6 Q Correct.

7 A No. I don't think so.

8 Q Now did you suggest to Mr. Sloan or to Mr.
9 Eggleston they ought to be sensitive in the way they talked
10 about this issue?

11 A I don't remember.

12 Q Well, you've been shown what's been marked or
13 Bates Stamped as 8911, a memorandum for you from Cliff Sloan
14 which says:

15 "With regard to the subject that Neil Eggleston
16 and I spoke to you about one night last week, we have some
17 additional information."

18 Your testimony is you believe this memorandum to
19 relate to the issue of the RTC referrals; correct?

20 A Again, I don't have any idea. I'm assuming that.

21 Q Based on the fact that it was produced--well, let
22 me withdraw that.

1 Was this produced from your file?
 2 A No.
 3 Q You assume it was produced from Mr. Sloan's file?
 4 A I have no idea.
 5 Q At the time of the production of documents, did
 6 someone from the White House counsel's office show it to you
 7 and ask you whether this was something pertinent to
 8 Whitewater?
 9 A No.
 10 Q Did you go through a process when the grand jury
 11 subpoena was served wherein the lawyers who were responding
 12 to the subpoena would show you documents and ask you whether
 13 they were responsive or not?
 14 MR. SNYDER: I'm sorry? Which lawyers?
 15 MR. CHERTOFF: The lawyers who were responding to
 16 the subpoena.
 17 MR. SNYDER: The White House lawyers?
 18 MR. CHERTOFF: Right. The White House lawyers
 19 coming to you and asking you--
 20 THE WITNESS: No.
 21 BY MR. CHERTOFF: (Resuming)
 22 Q --whether the documents were responsive.

1 A My documents?
 2 Q Yes.
 3 A They would ask me if my documents were.
 4 I think we had, I don't remember, I mean I
 5 produced documents to them. If they didn't understand a
 6 document, they might have asked me about a document that I
 7 produced.
 8 Q But they didn't ask you about documents produced
 9 from other parts of the White House?
 10 A No.
 11 Q Can you think of any reason why Mr. Sloan, based
 12 on your discussions with Mr. Sloan either before or after
 13 October 7th, why Mr. Sloan would refer to a subject matter
 14 not by the actual content of the subject but by reference to
 15 a date at an earlier period of time in which you and he had
 16 discussed it?
 17 A Yeah, I can imagine.
 18 I mean, if that occurred after this discussion
 19 where I have the note. The Early Bird reference and the
 20 description in The Early Bird, you know, I asked what that
 21 was and again was concerned that they were republishing and
 22 distributing press inquiries, rumors, and thereby

1 expanding--I don't know by how many because I don't know who
2 it went to--the number of people who had this sort of
3 information.

4 I probably expressed to them, although I don't
5 have any specific memory of it, that just sort of
6 republishing this by memo or by putting out these Early Bird
7 type documents didn't serve a useful purpose; that these
8 matters--that there didn't seem to be a purpose. I didn't
9 understand, even at that point, what the purpose of The
10 Early Bird was. It just sort of seemed like a sheet they
11 put out every morning of every sort of rumor that was
12 floating around the RTC.

13 Q But you don't have an Early Bird in the White
14 House?

15 A No, but we had had a discussion about if this
16 memo occurred after that memo, we had had a discussion about
17 what is this, why are they doing this, why put information
18 in these documents--in this document, whatever it is, that
19 does that.

20 So clearly they would have had some sense that I
21 didn't think that rumors, or press, a lot of this stuff,
22 should just be put out there for everybody in the world to

1 see.

2 I mean, you're asking me to speculate. I don't
3 know why Cliff wrote a memo like that.

4 Q I was asking you to draw, based on your
5 conversations with him before and after, whether you had an
6 understanding of why he omitted to mention the--

7 MR. SNYDER: Actually, I think the precise
8 phrasing of the question was "can you imagine why he did
9 it," and I think Mr. Lindsey said "I could imagine."

10 I think he is telling you he is speculating and
11 doesn't know why.

12 MR. CHERTOFF: We will let the question speak for
13 itself.

14 BY MR. CHERTOFF: (Resuming)

15 Q Now let me direct your attention to the October
16 14th meeting.

17 X1177 and 1178 are the contemporaneous notes you
18 made of that meeting.

19 Correct?

20 A Correct.

21 Q Now did you start a Whitewater or Madison file at
22 this point in which you would drop your notes?

1 A No.

2 Q Do you know whether at the time that you made
3 your production of documents the notes in X1177 and the
4 notes that begin at X1175 were located in the same place in
5 your office?

6 A I have to see what you're talking about.

7 (Handing document to the witness.)

8 No, they were not--I don't remember.

9 Are you talking about the notes from the
10 Neil/Cliff--

11 Q --meeting, and the notes from the 10/14 meeting.

12 A No, I do not know whether they were in the same
13 spot. I don't believe so, but I don't know.

14 Q Now when you arrived on October 14th to attend
15 this meeting in the White House counsel's office, what was
16 your state of knowledge at that period of time concerning
17 the criminal referrals that were about to be discussed?

18 A Well, again I had no knowledge that we were
19 discussing criminal referrals.

20 I had obviously had whatever conversations I had
21 had with Neil and Cliff, or Cliff alone.

22 I had also had conversations, or at least a

1 conversation, with a person outside of government who had
2 had press inquiries about these matters, and he related to
3 me what the press had asked him, and what the press had told
4 him. I think that is the extent of my knowledge going in
5 there.

6 Q At the meeting did you explain to Mr. DeVore what
7 your understanding of the situation with the criminal
8 referrals was?

9 A No.

10 Q Did you explain to Mr. DeVore which names were
11 mentioned in terms of the potential criminal referrals?

12 A No.

13 Q Before you went into the meeting, did you do a
14 check of the campaign records with respect to the checks
15 involving Senator Fulbright, Mr. Peacock, and the McDougals?

16 A No.

17 I had never heard of those--well, I take that
18 back. There's a reference, but it's a vague reference to
19 that in the note on Neil, but I didn't know what that meant
20 at the time.

21 Q So the particular reference to those checks did
22 not emerge in your mind until the actual October meeting?

1 A That's correct.

2 Q Did you wonder why Mr. DeVore was coming in to
3 ask you and White House counsel how the RTC ought to respond
4 to a press inquiry?

5 A Well, again I don't know who Mr. DeVore made the
6 inquiry to at the White House and who decided that we should
7 discuss it at a meeting.

8 Q You were asked to come to the meeting?

9 A Correct.

10 Q You were not ordered to come?
11 Correct?

12 A Correct.

13 Q Had you ever earlier been to a meeting in which
14 an outside agency came in and discussed the matter of how to
15 handle a press referral?

16 A Oh, I'm sure I have.

17 I can't give you a specific, but I am sure that
18 all the time we got there would be an inquiry to EPA, or
19 Agriculture, or whatever department about a matter. And
20 somebody would call up and say we have this inquiry, and we
21 would talk about it.

22 Q Who would you normally call?

1 A Well, it depends.

2 I mean, I assume they often would call the press
3 office. I think they probably--I have had those
4 conversations. Again, I can't give you specifics, but I
5 think I probably have had those conversations with people I
6 know at the agency; not necessarily the press people, but
7 somebody will get an inquiry. They'll call over and say
8 we've got this inquiry, what do you think we ought to do
9 with it?

10 Q Before this time on October 14th, were you ever
11 at a meeting at which you, the White House counsel, and Mr.
12 Gearan together sat down and talked with someone about how
13 to handle a referral--

14 MR. SNYDER: Objection--

15 THE WITNESS: I don't think so.

16 BY MR. CHERTOFF: (Resuming)

17 Q Now I believe you indicated in your earlier
18 testimony in response to Mr. Codinha's questions, that you
19 were not concerned about the truth of the accusations.

20 What was the reason you didn't just ask somebody
21 to find out about the underlying facts?

22 A Well, first of all I guess I would have

1 considered it inappropriate. You know, I didn't even
2 consider it as an option.

3 Q Why would it have been inappropriate?

4 A Well, again, I have a view of RTC referrals that
5 suggested that they were not matters that the public or
6 anyone else should know about.

7 Q You viewed the fact of a criminal referral as a
8 nonpublic, a bit of nonpublic information?

9 A I was told that the fact of a criminal referral
10 was--that the RTC considered it not to be something that
11 they would not confirm.

12 Q Going into the meeting, was it your view that a
13 fact of a criminal referral would be nonpublic information?

14 A Probably.

15 Q When the subject came up, did you caution anybody
16 about whether they ought to get into the specifics of the
17 referrals?

18 A I didn't have any sense that anybody in that room
19 knew the specifics of the referral.

20 Q Was there any reason to have the meeting go
21 beyond somebody saying: Somebody has asked a question
22 concerning referrals, criminal referrals?

1 Was there a need to go into the number of the
2 referrals, or where the referrals were located?

3 A Well, that wasn't the inquiry.

4 The inquiry was Jeff Gerth relating what he knew
5 about the referral, or what he thought he knew about the
6 referrals, and asking, you know, several questions.

7 I guess, one, why they came to Washington?

8 And, two, who endorsed the checks?

9 Q Now Mister--

10 A So in relating the press inquiry it went beyond
11 that.

12 Q Does the meeting begin with Mr. DeVore relating
13 to you and the others there what the press inquiry is?

14 A Yes.

15 Q And in that he relates that Mr. Gerth says that
16 the referral has been forwarded from the Kansas City field
17 office to the Washington office of the RTC.

18 Correct?

19 A Correct.

20 Q And that was what Mr. Gerth had told Mr. DeVore
21 concerning the state of play with respect to the referrals
22 so far as Mr. Gerth knew.

1 Correct?

2 A I think that's right.

3 Q And then Mr. Gerth also knew that there was
4 something in the referrals that involved four checks.

5 Correct?

6 A Correct.

7 Q Now at that point, Mr. DeVore had told you the
8 content of Mr. Gerth's question and the factual matter Mr.
9 Gerth had related.

10 Correct?

11 A Correct.

12 Q After that, did Mr. DeVore ask you for some
13 advice?

14 A I don't know if he asked for advice. I think he
15 indicated that his inclination was to advise Mr. Gerth that
16 the referrals had been received in Washington, and that had
17 been forwarded prior to his inquiry about them.

18 Q Forwarded to Little Rock?

19 A I think that's right.

20 Q Now the fact that the referrals had been
21 forwarded to Little Rock was not information that Mr. DeVore
22 told you had been conveyed to you by Mr. Gerth?

1 Correct?

2 A That's correct.

3 Q That was new information.

4 Correct?

5 A I think that's correct.

6 Q That was information which Mr. DeVore obtained
7 from the RTC.

8 Correct?

9 A I think that's my understanding of where he
10 obtained it.

11 Q And that is what Mr. DeVore said at the meeting.

12 Correct?

13 A I think that's right.

14 Q At that point did you say to Mr. DeVore that he
15 ought to stop the meeting because he had conveyed nonpublic
16 information?

17 A No.

18 Q Did you understand that there was significance to
19 the fact that a referral had moved out of the RTC's
20 Washington office into an organ of the U.S. Department of
21 Justice?

22 A Not at the time.

1 Q You didn't see a difference between having a
2 referral sitting in the Office of the RTC in Washington,
3 which is not an enforcement agency, and sitting on the desk
4 of a United States attorney in the District of Arkansas, the
5 Eastern District of Arkansas?

6 A Well, this is the first time I have ever been
7 told that it went to Washington. I had read with respect to
8 the 1992 referral that it had gone to the U.S. Attorney.

9 I think in respect to all my previous
10 conversations no one had ever said anything different than
11 that. So I guess that was my operating assumption.

12 So the only new information I got was not that it
13 went to Little Rock, which is what I always assumed, it was
14 that it had come through here on the way.

15 Q Let's separate out a couple of things.

16 When you're talking about the information in
17 1992, that related to a referral that had been sent to the
18 then-Republican U.S. Attorney in Little Rock?

19 A Correct.

20 Q And with respect to that referral, that 1992
21 referral, your understanding was that the U.S. Attorney
22 didn't do anything with it because he felt it was political.

1 Correct?

2 A That's correct.

3 Q The referrals you heard about from Mr. DeVore
4 were new referrals generated in 1993.

5 Correct?

6 A Correct.

7 Q They were not simply one referral, they were nine
8 referrals.

9 Correct?

10 A Apparently.

11 Q And what you first heard from Mr. DeVore in this
12 meeting as to Mr. Gerth's report was that the referrals had
13 not been sent to the U.S. Attorney in Little Rock but that
14 they had been sent to the RTC office in Washington.

15 Correct?

16 A Correct.

17 Q So you understood that those referrals had been
18 handled differently than you recall the original 1992
19 referral?

20 A Based upon what he said Mr. Gerth told him.

21 Q Correct?

22 A Correct.

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1 Q Now at that point when Mr. DeVore told you that
2 the RTC had transferred the referrals down to Little Rock,
3 that indicated to you that they had finally sent them to a
4 criminal enforcement agency.

5 Correct?

6 A Well, again, my assumption going into the meeting
7 was that that had already occurred. So that was--again,
8 based upon the previous press inquiries and the previous
9 question, I had always assumed that the referrals had gone
10 to the U.S. Attorney.

11 So the fact that he was telling me that, yes,
12 they had gone to the U.S. Attorney but they had gone to the
13 U.S. Attorney by way of Washington, the new information to
14 me was that they had ever come here, not that they had gone
15 to the U.S. Attorney.

16 Q Until you had that conversation in that meeting
17 with Mr. DeVore on October 14th, you did not know, nor did
18 you believe it to be public information that the new
19 referrals had in fact been sent to the U.S. Attorney's
20 office in Little Rock.

21 A No, that's not true.

22 Q You believed it to be public information?

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1 A No--I believe that the press knew it.

2 Q Mr. DeVore told you at the beginning of the
3 meeting, did he not, that Mr. Gerth believed that the
4 referrals were in Washington.

5 Correct?

6 A That is correct.

7 Q Did you have any information, was there any
8 public information that indicated to you at that point
9 that the referrals had been moved to Little Rock?

10 A Well you asked me what I "understood."

11 When I had conversations with either Neil, or
12 Cliff, or with third parties about that there were criminal
13 referrals, I understood that that meant that they had gone
14 into a U.S. Attorney's office.

15 Q Did--

16 A Let me finish, please.

17 So the operating assumption I had all along from
18 the very beginning was that these referrals had gone to a
19 U.S. Attorney's office, and I believed that to be public
20 information because the press was telling me that.

21 Now they did not say to me, you know, there has
22 been a referral from the RTC to the U.S. Attorney's office.

1 They said, there has been a referral.

2 I guess because I knew what had happened in '92,
3 I assumed that that meant that it went from the RTC to the
4 U.S. Attorney's office.

5 So when I heard that the referrals had come--that
6 these referrals had come to Washington before going to the
7 U.S. Attorney, I accepted the new information to be that
8 they came to Washington, not that they had gone on to the
9 U.S. Attorney.

10 Q Are you telling us that Cliff or Neil had told
11 you that the referrals had been sent to Little Rock?

12 A No. They had told me there were referrals.
13 Again, my understanding of what a referral was was a
14 referral to the U.S. Attorney's office, or to the Justice
15 Department.

16 Q Didn't Mr. Sloan actually tell you that what was
17 going on was that the referrals had been sent to D.C. and
18 that it was anticipated that it might go to the U.S.
19 Attorney's office in Little Rock in the future?

20 A I don't believe so.

21 I don't think so.

22 Q Now when Mr. DeVore had this conversation with

1 you on October 14th, he indicated that he wanted to confirm
2 that the referrals had been sent down to Little Rock.

3 Correct?

4 A Yes.

5 Q And your suggestion to him was that that would be
6 inappropriate because that was non-public information.

7 Correct?

8 A No, that's not correct.

9 I indicated to him--well, first of all he told me
10 it was appropriate because the RTC had indicated it was
11 appropriate.

12 What I objected to more was us characterizing
13 what was said, as opposed to saying that something had been
14 sent on.

15 So I was not as concerned with Mr. Gerth knowing
16 that it had gone to Little Rock; I was more concerned with
17 us confirming that they were referrals.

18 And I think your question was just the opposite,
19 that I was more concerned because I considered them going to
20 Little Rock nonpublic.

21 I considered, based upon what Jack DeVore told
22 me, that all of it, the fact of the referral and obviously

1 where the referral was, with things that the RTC did
2 confirm, I just sort of raised the issue as to whether or
3 not that was the right approach or the right deal.

4 But again, my formulation was not deciding--my
5 first formulation was to say absolutely nothing.

6 My second formulation was not to characterize
7 what had been sent to Little Rock, but to say whatever had
8 been sent to Washington had been sent on.

9 Q Did Mr. Nussbaum in fact suggest in that
10 conversation to Mr. DeVore that the information should not
11 be confirmed because it was nonpublic?

12 A I don't know.

13 I mean, we had a general discussion about that.
14 I don't know whether or not Bernie said that.

15 Q Now did you also learn in this conversation with
16 Mr. DeVore that the RTC believes that the funds for the
17 cashiers checks came from a loan from Madison Guaranty to a
18 Republican, but supposedly the Republican was unaware that
19 some of the loan funds had been diverted?

20 A I learned that that was what Mr. Gerth was
21 saying.

22 Q Do you have a copy of your October 20th memo?

1 A Sure.

2 Q Which for the record is X1179 to 1180.

3 You wrote this memo on October 20th.

4 Correct?

5 A Right. Either I wrote it, or it was typed on the
6 20th. I don't know which one.

7 Q Do you remember dictating it immediately after
8 the meeting you had?

9 A No, I didn't dictate--I don't think I dictated.
10 I clearly had run down the source of the checks before I
11 dictated it. So my assumption is that I had to dictate it
12 at least several days after the meeting. But I don't know,
13 frankly, whether it was the 20th or some date before that.

14 Q What made you decide to turn this particular set
15 of notes, 1177 and 1178, into a typed memo as opposed to
16 this set of notes that had taken in your previous meeting
17 with Mr. Eggleston and Mr. Sloan?

18 A I had, several weeks before this, had a meeting
19 with a reporter, or several reporters from The Washington
20 Post, relating to a matter unrelated to this--relating to an
21 Arkansas issue--and I had, I guess going back to my days as
22 a lawyer, decided I would be efficient and take my notes of

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1 that meeting and basically dictate a memo to the file with
2 respect to it.

3 I also had, at the end of that meeting, I had
4 certain questions that were asked and I had to get
5 information from other people. So that was an efficient way
6 of doing it.

7 I think I did this--having done that, I think I
8 just simply, you know, this was another meeting and I did
9 that. Again, I don't know why I did it with respect to this
10 note as opposed to the others, other than that this had to
11 do with a direct press inquiry as opposed to just
12 conversations with people in the White House.

13 Q Let me direct your attention to 1178.

14 If you look at the bottom of the page, underneath
15 Jeff Gerth written sideways--

16 A Right.

17 Q --it says "loans from Madison Guaranty to a
18 Republican 'peacock'."

19 A Right.

20 Q Now let me direct your attention to 1179 and
21 1180.

22 A Okay.

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1 Q The second and third paragraph of that memo which
2 you dictated makes it clear that the information there is
3 coming from Mr. Gerth.

4 Correct?

5 A Correct.

6 Q Then you go on to the paragraph on 1180
7 indicating what Mr. DeVore confirmed, and what you and
8 others suggested Mr. DeVore do.

9 Correct?

10 A Correct.

11 Q With respect to the paragraph that concludes the
12 memo that begins "The RTC believes that the funds for the
13 cashiers checks come from a loan from Madison Guaranty," do
14 you see Mr. Gerth's name in that paragraph?

15 A No.

16 Q Why did you decide to copy Maggie Williams and
17 Bill Kennedy on this memo?

18 A Let me back up.

19 If you look at my notes, I think it is clear that
20 under Jeff Gerth the loan from Madison Guaranty to a
21 Republican 'peacock' is part of that reference.

22 What happens is, my guess is I was reading

1 through this and dictating, got to the end of it, looked at
2 this note sideways and added a paragraph.

3 Again, this memo to the file was not prepared for
4 any purposes other than to relate the information, but there
5 simply was not--again, my understanding was that all of that
6 information came to Mr. DeVore from Jeff Gerth despite the
7 fact that it appears at a different paragraph in my typed
8 memo. It is clearly part of that whole discussion of the
9 Jeff Gerth matter in the handwritten note.

10 Q Who is Jeff Garish?

11 A He is apparently a private attorney in Arkansas.

12 Q How did you learn about him?

13 A I think I asked, does anybody have any idea where
14 the press was getting this information. I don't know who,
15 someone said that they thought that there was a person named
16 Jeff Garish who was a private attorney who had been
17 involved, or had worked for the RTC who was the source for
18 it.

19 Q Now that information about Jeff Garish did not
20 come from Jeff Gerth. Correct?

21 A Well again, I don't remember who--the answer is:
22 I don't know.

1 I mean, it could have been Jack DeVore asked Jeff
2 Gerth, where do you get this information? And he told him,
3 but I don't know that.

4 Q So the fact that you have Jeff Garish written
5 sideways next to Jeff Gerth does not indicate to you one way
6 or the other that that information came from Jeff Gerth.

7 Correct?

8 MR. SNYDER: It is actually not sideways.

9 (Laughter.)

10 MR. CHERTOFF: Diagonally.

11 THE WITNESS: That is correct.

12 BY MR. CHERTOFF: (Resuming)

13 Q At the top of the notes on 1178 where you have
14 RTC--

15 A Let me just cut this short. This memo is like it
16 is, and this memo is like it is.

17 If you are asking me what I know and what I
18 believe, that information came as part of the Jeff Gerth
19 information.

20 Q You have a recollection of that?

21 (Mr. Kravitz and Mr. Epstein enter the room.)

22 A Yes.

1 Almost all the information I got, other than, as
2 you say, Jack DeVore saying that he confirmed or talked to
3 the RTC and found out, came from Gerth.

4 I had no sense that any of the information that
5 he was relating to me came from anybody but Jeff Gerth with
6 respect to this particular matter.

7 Obviously there is Sue Schmidt and some guy named
8 Kyle. So, you know, we can play games about where it
9 appears in a memo, but if your point in all this is to find
10 out what my memory is of it, my memory is that that was part
11 of what he was relating that Jeff Gerth had told him.

12 MR. SNYDER: Could I request that the people who
13 entered the room identify themselves for the record?

14 MS. MALONEY: I didn't want to interrupt in the
15 middle of his answer.

16 MR. KRAVITZ: I am Neal Kravitz. I am the Deputy
17 Special Counsel on the Majority side.

18 MR. EPSTEIN: I am Doug Epstein. I am not quite
19 sure what my title is--counsel, or legislative assistant.

20 MR. CHERTOFF: Neither is Jeff Gerth.

21 THE WITNESS: Now your question, do you want me
22 to respond to your question about why Maggie Williams and

1 Bill Kennedy?

2 BY MR. CHERTOFF: (Resuming)

3 Q Yes. Well, let me just ask you this.

4 Going back to 1178, you have Sue Schmidt written
5 above certain information, and Jeff Gerth written about
6 midway down the page.

7 Where it says "RTC" at the top, does that
8 indicate that the source of that information was the RTC?

9 A No. No.

10 That indicates that whoever he was talking about
11 at that point had made inquiries to try to find information
12 from--had tried to contact Gene Lewis of the RTC.

13 But, no, as I say, I had no understanding of this
14 meeting, other than what is reflected in this memo, that any
15 of it came from anybody other than a reporter.

16 Q Why did you copy Maggie Williams and Bill
17 Kennedy?

18 A Well, I told you I had done a memo like this
19 several weeks before. It related to questions with respect
20 to the First Lady, and questions with respect to Mr.
21 Kennedy.

22 I copied them on that memo. I had met with the

1 reporter before at Mark Garen's request, but Mark Garen was
2 not present at that meeting.

3 I copied the three of them on the earlier memo
4 because the memo related to the three of them.

5 My guess is they got copied on this memo because
6 I said something to my secretary, or she assumed because it
7 as in the same format as the previous one--you know, I
8 either said set this up like the other memo we did, or
9 whatever--but they would not have been copied, should not
10 have been copied on this memo. They should have been copied
11 on the previous memo.

12 I don't know whether copies were ever sent to
13 them or not, but those names--Mark Garen was in the meeting.
14 There was no need to copy him unless I was going to copy
15 everybody.

16 Maggie and Bill Kennedy had nothing to do with
17 this matter.

18 Q When you left the meeting, you understood that
19 the information you had been told concerning the referral,
20 the movement of the referral from Washington to Little Rock
21 was not information that had been publicly released?

22 Correct?

1 A I assume that the reporters that knew the
2 referrals believed they were in Little Rock.

3 Q Were you uncomfortable after you left the meeting
4 about the fact that you had participated in that meeting?

5 A No.

6 Q Did you consider whether you wanted to
7 participate in meetings like that in the future?

8 A No.

9 Q Did you think it was appropriate to sit down and
10 suggest to the Treasury Department how the RTC ought to be
11 handling responses to press requests?

12 A I did not consider it to be inappropriate.

13 Q Did you wonder why there was no person from the
14 RTC present at the meeting?

15 A No.

16 Q What was your understanding about Mr. DeVore's
17 relationship as Assistant Secretary of the Treasury for
18 Public Affairs in terms of his responsibilities for the
19 RTC?

20 A I don't know if I had any understanding.

21 Q You raised no question at the meeting about why a
22 Treasury official was in talking about a request that he had

1 made to the RTC for information?

2 A The inquiry had come to the Treasury official.

3 I assumed he was there because he had received
4 the inquiry.

5 Q Did you ask him why he didn't take it to the RTC?

6 A No.

7 Q Did you ask him what the RTC press person's
8 opinion was?

9 A I don't think so.

10 Q At this point, having learned about these stories
11 beginning to develop and the more specific information
12 coming from Mr. Gerth, as well as the confirmation that the
13 referrals were going to Little Rock, at that point did you
14 decide--at what point did you decide you had to tell the
15 President about this matter rising on the radar screen?

16 A Well I don't know if I ever felt like I had to
17 tell the President about "this matter rising on the radar
18 screen."

19 Q Did you in fact mention the criminal referrals to
20 the President after this meeting on October 14th?

21 A No.

22 Q Never?

1 A After?

2 Q Yes.

3 A Well, I mean there was a story written about it
4 on October the 31st. I don't believe I mentioned it to him
5 between October the 14th and that story.

6 Q What was the story?

7 A Sue Schmidt wrote a story in The Washington Post
8 on Sunday, whatever the date is, referring to these checks,
9 referring to the referrals--basically the same information
10 Jeff Gerth had Sue Schmidt had and there was a story that
11 ran on October the 31st, I believe, with respect to it.

12 Q Was that the first story that you had seen that
13 publicly made mention of the referrals?

14 A I believe so, yes.

15 Q And was it a story based on what sources
16 supposedly said?

17 A Yes. I assume that Sue Schmidt was basing it on
18 sources.

19 Q I mean, it was not a story that contained a
20 formal Treasury or RTC announcement about the referral?

21 A No. Absolutely not.

22 Q And there was no on-the-record official

1 confirmation?

2 Correct?

3 A I don't believe so.

4 You can see the story. I read the story just
5 like everyone else. To try to characterize it, I'm just
6 guessing. The story speaks for itself.

7 Q Was it after that story appeared that you talked
8 to the President about the referrals?

9 A No.

10 Q Did you ever talk to the President about the
11 referrals?

12 A Yes.

13 Q When was that?

14 A Sometime before the 14th.

15 Q Of October?

16 A Yes.

17 Q When did that occur?

18 A At some point in the early part of October I had
19 a conversation with Jim Lyons who is a lawyer in Denver who
20 was involved in the Whitewater and the Lyons Report matter.

21 He indicated to me that he had received phone
22 calls from I believe Gerth, and maybe Michael Isikoff of The

1 Washington Post; and that another person who had been
2 involved in the campaign part of the--

3 (The witness's vibrating beeper sounds.)

4 THE WITNESS: Excuse me.

5 MR. SNYDER: Do you need to take a break?

6 THE WITNESS: No. It says, "Tell them your time
7 is valuable."

8 (Laughter.)

9 THE WITNESS: And "that you have other things to
10 do."

11 MR. CHERTOFF: For the record, that was a buzzer
12 that went off.

13 THE WITNESS: That's right. That is correct. I
14 have a pager that vibrates.

15 Anyway, I had a conversation with Jim in which
16 Jim related to me that he had had inquiries from Gerth and
17 from Isikoff, I believe, and that they were telling him
18 about these matters.

19 Shortly thereafter I was with the President and I
20 told the President that apparently the press--there are
21 stories out there that the press has that there are criminal
22 referrals involving Madison, and that you or Mrs. Clinton

1 may be mentioned in it in some way, but clearly I don't
2 believe--you know, there's no indication that you all are
3 the target of it or anything. There's just a mention of you
4 in it.

5 BY MR. CHERTOFF: (Resuming)

6 Q What was the President's response?

7 A Again, I don't know if he--I don't remember a
8 specific response. It was certainly nothing other than just
9 sort of, "hmmmmmm".

10 This was not a meeting.

11 This was more of a casual conversation that he
12 and I had. If I had not, frankly, been with him shortly
13 after I had gotten this information, I don't even know if I
14 would have conveyed it in any other way.

15 But the only time I spoke to the President about
16 this before it became public in the first of November, or
17 the end of October, was in a--was following this
18 conversations with Jim Lyons.

19 Q Was the President surprised?

20 A You know, surprised that there were criminal
21 referrals with respect to Madison?

22 I don't know if I could say he was surprised. He

1 didn't indicate surprise.

2 Q Did you tell the President that there were
3 criminal referrals? Or that the press was saying there were
4 criminal referrals?

5 A I think I told him that, you know, Jim Lyons had
6 received press calls, and apparently there are--and again,
7 you don't always assume the press is wrong even though they
8 often are.

9 Apparently there are criminal referrals with
10 respect to Madison that they are asking about. There may be
11 some mention of you or Mrs. Clinton or the campaign in those
12 referrals.

13 Q Did the President ask you what you meant by
14 criminal referrals?

15 A No, I don't think so.

16 Q Did he ask you, are you sure there are criminal
17 referrals?

18 A No.

19 Q Did he ask you whether you knew if the press
20 reports were accurate?

21 A No.

22 Q Did he ask you to find out if the press reports

1 were accurate?

2 A I don't remember what he said to me. It was
3 certainly nothing that conveyed that I should do anything,
4 or that we had even a very long discussion about that.

5 My sense is I was just telling him that Isikoff
6 and Gerth and others were apparently on this; that they had
7 talked to Lyons and others, and that we were probably going
8 to see it.

9 Q Did the President at least leave you with the
10 request to let him know if anything else happened?

11 A No.

12 Q And after you had gotten confirmation from the
13 RTC that there were referrals going to Little Rock, did it
14 occur to you to advise the President about that?

15 A No, because that assumes--again, I accepted
16 Gerth's and Isikoff's, or whoever's, statements as being
17 basically accurate. I had no reason not to.

18 So it did not seem to me necessary to go back and
19 say--you know, again, I did not think of what Jack DeVore
20 had indicated to me in this meeting as being particularly
21 new information with respect to that.

22 It was just the same information.

1 Q Let me direct your attention to the period of
2 November--either November or December. Do you recall an
3 occasion on which you and Mr. Tender were present in the
4 private residence with the President and possibly with Mrs.
5 Clinton to come in to talk about Whitewater at the point at
6 which Mr. McLarty was leaving the residence, having been
7 there on another matter?

8 MR. SNYDER: Mr. Chertoff, that is I think word
9 for word a question that Mr. Codinha asked, and it has been
10 answered. It is 7:40. That question was fully asked.

11 MR. CHERTOFF: I think it was actually not asked
12 the way I have asked it. I think it was asked whether in
13 terms of that meeting the issue of contacts was discussed.

14 I am asking a different question.

15 MR. SNYDER: It was asked, but I will allow him
16 to answer it again.

17 MR. CHERTOFF: I am just asking him if he
18 remembers the occasion, first.

19 THE WITNESS: I do not remember a specific
20 occasion. I did meet with the President, David Kendall, and
21 others on occasion, but I don't remember this--I don't
22 remember a specific occasion that you describe where Mac

1 was leaving and that sort...

2 BY MR. CHERTOFF: (Resuming)

3 Q I am talking now only about meetings about
4 Whitewater. I am not interest in meetings about other
5 topics.

6 Is your answer about having had meetings with Mr.
7 Kendall and the President relating to having had meetings on
8 the subject of Whitewater?

9 MR. SNYDER: I am going to instruct him not to
10 answer a question generally about whether he ever met with
11 the President or Mr. Kendall about Whitewater unless it
12 relates to White House-Treasury contacts about Whitewater or
13 something that is within the scope of the Senate Resolution.

14 BY MR. CHERTOFF: (Resuming)

15 Q In any meeting you had with Mr. Kendall and the
16 President of the United States concerning Whitewater, did
17 the subject of criminal referrals come up?

18 MR. SNYDER: Again, if in any way it related to
19 any White House-Treasury communication, I think that is a
20 legitimate question.

21 If the question is whether there was ever any
22 discussion with the President about criminal referrals that

1 has nothing to do with White House-Treasury communications,
2 then it is outside the scope of this Senate Resolution.

3 MR. CHERTOFF: Well, Mr. Snyder, we have already
4 established that the subject of criminal referrals was
5 conveyed in a White House-Treasury meeting.

6 One of the issues the Senate has to consider is
7 where the information went, and what were the states of mind
8 of not only the participants in the meetings but of others
9 who either solicited the information or received the
10 information.

11 Not every question has to by its terms involve
12 the words "contact" or be a description of a contact. I
13 think, based on the state of the record we have now where
14 information was conveyed in a meeting and there was at least
15 a prior conversation with the President, I think I am
16 entitled to find out whether the referrals which were
17 discussed in the October 14th meeting were discussed with
18 the President at meetings with Mr. Kendall and others.

19 MR. SNYDER: Mr. Chertoff, the witness has
20 testified that the only discussion he had with the President
21 on the subject of press reports of criminal referrals or
22 criminal referrals otherwise, was with regard to press

1 reports that had gone to a person outside the government,
2 and that the witness had heard about in a press contact with
3 someone outside the government and passed it along to the
4 President.

5 That in and of itself actually has nothing to do
6 with the White House-Treasury contact, but I allowed the
7 answer. But there is nothing in this record that suggests
8 that the President was told about any White House-Treasury
9 communication about criminal referrals, and in fact I think
10 the record is to the contrary.

11 MR. CHERTOFF: Let me be clear, Mr. Snyder.

12 The terms of this Resolution do not require that
13 the President had been told that particular information came
14 from Treasury-White House contact.

15 The fact that the information itself was
16 transmitted is relevant communication.

17 Now I don't know what the answer to the question
18 is going to be, but I am entitled to ask a question of Mr.
19 Lindsey whether subsequent to October 14th the subject of
20 criminal referrals was discussed at meetings with the
21 President and Mr. Kendall.

22 MR. SNYDER: Give us a moment.

1 (Counsel and the witness confer.)

2 MR. CHERTOFF: Could I have the last pending
3 question, please.

4 THE REPORTER: "Q. Now I don't know what the
5 answer to the question is going to be, but I am entitled to
6 ask a question of Mr. Lindsey whether subsequent to October
7 14th the subject of criminal referrals was discussed at
8 meetings with the President and Mr. Kendall."

9 MR. SNYDER: Let me try to clarify our position.

10 We have no objection to any questions, and Mr.
11 Lindsey has been answering and will continue to answer
12 questions, about any White House-Treasury communications
13 that he either was involved in or has any information about
14 that relates to referrals, or Madison, or Whitewater.

15 But we believe it is outside the scope of the
16 Senate Resolution and is improper, particularly given the
17 request of the Special Counsel, that there be questions
18 about Whitewater generally that have nothing to do with
19 White House-Treasury communications, or questions about
20 conversations that Mr. Lindsey might have had with the
21 President about Whitewater or about criminal referrals which
22 have been widely reported in the press, if the discussion

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1 had nothing whatever to do with any White House-Treasury
2 communication.

3 So we are not going to answer questions about
4 conversations with the President about public information or
5 about dealing with Whitewater issues that have nothing to do
6 with White House-Treasury communications.

7 MR. CHERTOFF: Well, let me make this clear. We
8 will reserve this, obviously, and then take it up with the
9 Senators, but let me make my position clear.

10 I have not asked a question concerning the
11 substance of what occurred with respect to Whitewater, or
12 what the strategy with respect to Whitewater is, or what the
13 underlying facts about Whitewater are.

14 What I have asked is whether the subject of
15 criminal referrals, information about which was transmitted
16 from Treasury to the White House on October 14th, whether
17 that information made its way up to the ears of the
18 President.

19 That is directly pertinent to what this inquiry
20 is about.

21 I can also tell you that, because there are later
22 conversations in context with people in the White House and

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1 people in the Treasury, conversations between Mr. Lindsey
2 and those people are directly relevant because they reflect
3 on the state of mind of those other individuals. State of
4 mind is a critical issue for this inquiry, since whether
5 those contacts were proper or improper depends in large part
6 on motivation.

7 So I will move on to the next question, but if we
8 hit this objection in the future I want to have a clear
9 statement in mind of my position.

10 MR. SNYDER: Well, if I can just correct I think
11 one statement that you made, at least from this witness's
12 testimony, the October 14 information about criminal
13 referrals was not coming from the Treasury or from RTC. It
14 was coming from the press.

15 The only thing that came from the RTC was Mr.
16 DeVore's statement that he had confirmed what the press
17 said. He confirmed the press's statement that there had
18 been a referral. He had not even attempted to confirm any
19 of the contacts--

20 MR. CHERTOFF: I believe in fact, and the record
21 will speak for itself, that the testimony was that Mr.
22 DeVore added the piece about the transmission to Little

1 Rock.

2 MR. SNYDER: Yes.

3 BY MR. CHERTOFF: (Resuming)

4 Q Let me ask this, Mr. Lindsey.

5 Was it your view, and is it your view, that the
6 fact that the press reports on an event based on a leak
7 means that the subject matter of that report becomes
8 information that can be discussed publicly?

9 A No.

10 Q Where were you in the very beginning of January
11 1994? January 1st? Were you in Washington?

12 A I was probably in Mr. Lindsey.

13 Q Did you attend the Renaissance Weekend?

14 A No.

15 Q Do you know a man by the name of Eugene Ludwig?

16 A Yes.

17 Q Did you have a conversation with him in January
18 of 1994 concerning a conversation he had had with the
19 President?

20 A No.

21 Q Did you have a conversation with anybody else
22 concerning a discussion that Mr. Ludwig had had with the

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1 President?

2 A No.

3 Q Were you aware that the President and Mr. Ludwig
4 had talked at the Renaissance Weekend concerning Whitewater?

5 A As of four days ago, or three days ago.

6 Q Until you read it in the press?

7 A No.

8 Q After you got the FAXs from Mr. Ludwig, or the
9 FAX from Mr. Ludwig you have been previously shown, did you
10 have any discussion with him concerning Whitewater?

11 A No.

12 Q Were you ever aware that Mr. Ludwig had contacted
13 the White House to make a suggestion about the way
14 Whitewater should be handled?

15 A No.

16 Q In very early January, Mr. Ickies came on board.
17 Correct?

18 January 1994?

19 A Well, let me go back to your previous question.
20 Are you talking about before there were press reports three
21 or four days ago?

22 Q Yes. Oh, I'm sorry. All my questions cover--

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1 A There was a reference in there I think where he
2 indicated that he had said something to Maggie Williams or
3 somebody. So I was aware of that. But I became aware of it
4 in the press.

5 Q It is good that that is clear.

6 A And your question, I'm sorry?

7 Q Now I forgot what my question was.

8 (Readback.)

9 When did Mr. Ickies come on board as deputy chief
10 of staff?

11 A I don't remember.

12 Q Was it around the beginning of 1994?

13 A I thought it was slightly before Christmas, but
14 I'm not sure of that date.

15 Q Did he then get assigned the principal
16 responsibility to handle Whitewater matters at the White
17 House?

18 A For a short period of time.

19 "Handle" I'm not sure is the right word.

20 Coordinate.

21 Q For what period of time?

22 A It seemed to me like he did it for about maybe a

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1 month, a month and a half.

2 Q And that would be to about mid-February?

3 A I think that is probably right. Washington

4 Q After that, who took over as the person
5 principally--

6 A I think John Podesta.

7 Q Why was that change made?

8 A It may have been later.

9 When did we all get subpoenaed?

10 (Laughter.)

11 Q I believe it was on or about March 4th.

12 A It may have related to around the time where
13 Harold and I and others were subpoenaed, and therefore it
14 was felt someone at that time who had not been subpoenaed
15 should probably handle it.

16 Q I believe you testified that towards the end of
17 1993 you were in the press a fair amount as a spokesman on
18 these issues.

19 Correct?

20 A Yes.

21 Q After Mr. Ickies came on board and assumed
22 responsibility for coordinating on the Whitewater, did your

1 involvement in the Whitewater matter become lessened?

2 A To some extent. I am still sort of the
3 repository of most information about it within the White
4 House. But it had to come, again, in late 1993.

5 It was sort of basically a two-person, a two-
6 newspaper story with Jeff Gerth in The New York Times and
7 Chuck Babcock primarily with The Washington Post.

8 As of the middle of December when we released the
9 documents--when we turned over the documents to the Special
10 Counsel and when we--

11 Q Let me correct you.

12 The Special Counsel was not appointed until
13 January.

14 Do you mean you turned them over to the
15 Department of Justice?

16 A That's right, I'm sorry, to the Department of
17 Justice when they were handling it.

18 And when the story was in the press, there were
19 documents in Vince Foster's office. That became a much
20 bigger issue. Coordinating it became a much broader deal in
21 terms of Congressional statements, in terms of talk shows,
22 in terms of everybody asking questions about it.

1 I continue to be sort of the person in the White
2 House who people ask about information. But in order to
3 better coordinate what was said, and to not speak with
4 multiple voices, I became less public in terms of being the
5 spokes person.

6 Q And whom did Mr. Ickies report to in terms of his
7 coordinating the Whitewater matter?

8 A I'm not sure I knew.

9 I mean, I don't know--Mac?

10 Q Do you know if he reported directly to the
11 President and the First Lady on that?

12 A I don't know that.

13 Q Did he have a pre-existing relationship with the
14 President and the First Lady?

15 A Yes.

16 Q Was that a fairly long-standing relationship?

17 A I don't know how long, but it certainly has been
18 years.

19 Q Were you in January of 1994 involved in
20 discussions with either Mr. Ickies or Mr. Nussbaum
21 concerning the statute of limitations on the RTC
22 investigation of Madison?

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1 MR. SNYDER: Now again does your question relate
2 to White House-Treasury communications at all?

3 MR. CHERTOFF: Well we have established that
4 through the questioning of Mr. Kodeene, that at a later
5 point in time there was a meeting in which Mr. Nussbaum and
6 Mr. Ickies participated with Mr. Altman regarding the issue
7 of Whitewater.

8 I am certainly entitled as part of the
9 investigation to learn what these two individuals know about
10 the issues in question.

11 I am not obliged only to talk to people
12 concerning their own personal, first hand communications
13 with Treasury.

14 MR. SNYDER: I would object to a question about
15 what internal communications two White House officials had
16 on a subject before there is any suggestion of any White
17 House-Treasury communication on it, and it is outside the
18 scope of the Resolution.

19 It relates to internal White House discussions.
20 I do not understand how that can be a proper question.

21 MR. CHERTOFF: Mr. Snyder, we have had testimony
22 from your witness concerning the fact that Mr. Ickies and

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1 Mr. Nussbaum were talking to Mr. Altman from the Treasury
2 about this very subject within the next month.

3 Do you have a serious doubt about the relevance
4 of an inquiry concerning what Mr. Ickies and Mr. Nussbaum
5 had in mind about that subject in the month before they
6 talked to Treasury about it?

7 MR. SNYDER: If a White House official is
8 discussing with White House counsel legal questions having
9 nothing to do with any communication with the Treasury
10 Department, and before there is any alleged communication
11 with the Treasury Department, I think that has nothing to do
12 with White House Treasury communications.

13 It is also potentially privileged discussion.

14 MR. CHERTOFF: Are you asserting a privilege?
15 (Pause.)

16 MR. SNYDER: At this point, unless I understand
17 that the issue relates to White House-Treasury contacts, I
18 think I am asserting a pertinency objection because it is
19 outside the scope of the Resolution.

20 MR. CHERTOFF: We will reserve and take it up
21 with the Senators.

22 BY MR. CHERTOFF: (Resuming)

1 Q Were you aware from discussions with Mr. Ickies
2 or Mr. Nussbaum that they were concerned about the issue of
3 whether Mr. Altman would recuse himself from making a
4 decision on the RTC's investigation of Madison?

5 MR. SNYDER: Could you clarify the time frame?

6 BY MR. CHERTOFF: (Resuming)

7 Q I am directing your attention to January 1994.

8 A I don't know how to put it into the time frame
9 you've said.

10 At some point there were public--there were
11 people out there I think calling on Mr. Altman to recuse. I
12 don't remember when that was.

13 I don't know if it was around the time of the
14 Ricki Tigert deal. I don't have any sense of that.

15 But there were general discussions about whether
16 or not the person who is appointed to a position buy the
17 President should recuse solely on the basis of that fact
18 without any sort of factual or legal basis for the request.

19 Now whether that was before or after January of
20 1994, I just can't put it in that context.

21 Q You testified previously you recalled discussions
22 about this topic in the period shortly before Mr. Altman was

1 to testify before the Senate on February 24th.

2 A That's correct.

3 Q Is it your recollection that discussions about
4 this occurred earlier than you've identified them?

5 A Again, if you could--I don't believe there were
6 any discussions about this that I'm aware of until there
7 were requests, or speeches, or something relating to it.

8 I don't think internally it ever came up, or at
9 least I don't think I was involved in any discussions
10 internally without something outside sort of raising it.

11 I don't know when--you know, if you told me Al
12 D'Amato or Jim Leach or somebody on X date called on Roger
13 to recuse himself, and that date was January the 15th, I
14 could probably tell you that it occurred shortly after that.

15 If that was February the 15th, then I would
16 probably say I don't think it occurred in January.

17 But without some sort of reference point, I don't
18 remember any sort of just conversations that were just, you
19 know, thought up out of whole cloth about it.

20 I think there would have to be something outside;
21 either someone calling on us, calling on Roger to do it, or
22 something that would have generated that.

1 Q Who participated in the discussions in the White
2 House concerning that issue?

3 A Well again, the only meeting I really remember is
4 the one that was shortly before this testimony. Is that the
5 one you are referring to?

6 Q Who participated in that meeting?

7 A I believe Bernie was there.

8 Q Bernie Nussbaum?

9 A Right. Excuse me.

10 John Podesta I believe was there.

11 I was there.

12 Neil was probably there.

13 Q Neil Eggleston?

14 A Yes.

15 There may have been others, but I--

16 Q Harold Ickies?

17 A Harold I think was there.

18 Q As best as you can recall--well, let me ask you
19 this question first.

20 You said that the opinion you expressed was that
21 if a mere fact of a person having been appointed by the
22 President should not be a basis to recuse himself or herself

1 absent a suggestion of a long-standing relationship.

2 Correct?

3 A No. I didn't say "long-standing relationship."

4 Absent some other factor that would suggest that
5 recusal was appropriate.

6 Q Did this conversation come up in the context of
7 Mr. Altman specifically?

8 A Again, I don't remember a conversation with
9 respect to Mr. Altman other than the one shortly before his
10 testimony.

11 Q That is the meeting we are focused on here. We
12 are focused on a particular meeting.

13 A Yes. I think that one came up with respect to
14 that he was going to testify that he was going to be asked,
15 we assumed that, and did he have a position on it.

16 Again, my position throughout this has been that
17 the mere fact that you have been appointed by the President
18 standing alone is not sufficient to warrant recusing
19 yourself on any matter that might on the margins touch on
20 him.

21 Q Mr. Altman, however, had a pre-existing
22 relationship with the President and Mrs. Clinton.

1 Correct?

2 A "Pre-existing"? I don't know how--I mean, yes,
3 he was involved in the campaign.

4 Q Are you familiar with the term "FOB"?

5 A Yes.

6 Q Would he have described himself as an FOB, to
7 your knowledge?

8 A Well, depending on whether we are up or down in
9 the polls, a lot of people, yes, would describe themselves
10 as FOBs, or not describe themselves as FOBs.

11 I would consider Roger Altman to be--would
12 describe himself as a friend of Bill. But I don't, frankly,
13 know how long the relationship goes beyond the campaign.

14 Q Did the nature of that relationship enter into
15 your opinion concerning whether Mr. Altman ought to recuse
16 himself?

17 A Again, I am not sure that I would think a long-
18 standing relationship alone is enough. I have never given
19 enough thought to opine as to where the line is.

20 Obviously I didn't believe Ricki Tigert's
21 relationship with the President was sufficient. Roger's
22 relationship is longer than Ricki's. But where the line is,

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1 and whether, you know, that fact alone would be sufficient,
2 I would have to think through that.

3 So I don't really have an opinion. I just
4 thought that, standing alone, the fact that you were
5 appointed by the President to a position was not sufficient.

6 Q Did it enter into your thinking at this meeting
7 that it mattered that the RTC had pending before it an
8 actual question concerning civil claims to be filed against
9 Madison and other related individuals or entitled?

10 A I don't know if I knew that.

11 Q Before you participated in the meeting, did
12 someone brief everybody about exacting what was going to be
13 before Mr. Altman in terms of his RTC position that might
14 call, or cause people to call for a recusal?

15 A Do that again?

16 Q Before you started this discussion in
17 anticipation of Mr. Altman's testimony, did somebody set
18 forth the facts of what was before the RTC in order to set a
19 context for the decision Mr. Altman would have to defend not
20 to recuse himself?

21 A I think the answer to that is 'no.'

22 At that time there was a statute of limitations

1 issue. I don't know of anybody--I don't know if it was much
2 more than theoretical as to whether or not anybody--I've
3 never quite understood, frankly, which statute of
4 limitations we were talking about.

5 It did not see to me in whatever I read about in
6 the press, because I never researched this, that the
7 statutes we were talking about could refer to Bill and
8 Hillary Clinton at all.

9 I thought it had to do with directors, officers,
10 insiders, none of which they were.

11 So I have to say this in this town, but I thought
12 the whole discussion in some ways with respect to the
13 Clintons was a tempest in a teapot because, again, I didn't
14 quite understand how the RTC, what matters the RTC might
15 bring would touch on them.

16 Q Do you remember in the meeting a discussion
17 concerning whether the Clintons might be asked to sign a
18 tolling agreement under the statute?

19 A I knew there was--again, people on the Hill who
20 were calling on the Clintons to do that.

21 Q Did other people express points of view in this
22 meeting?

1 A I'm sure they did. We don't have meetings
2 without a lot of points of view.

3 I really don't remember.

4 Q What was Mr. Nussbaum's position?

5 A Again, I don't remember in this meeting, although
6 I think in general he and I agreed on the basic issue as to
7 there should be something more than just the mere fact of
8 your being a Clinton appointee.

9 Q Did you ever talk about it with Mr. Nussbaum
10 apart from this meeting?

11 A I know we talked about it with respect to Ricki
12 Tigert.

13 Q Did you talk about it with Mr. Ickies?

14 A I don't believe so.

15 Q During the course of the meeting you are
16 testifying about concerning Mr. Altman's decision regarding
17 recusal, or in the course of your conversations with Mr.
18 Nussbaum, did anybody ever express the view that one factor
19 to be considered was whether the person who would be
20 handling the matter if Roger Altman recused himself was too
21 tough?

22 A Not in any conversation I had.

1 Q Would you agree that to look at the toughness or
2 the--let me withdraw that question and ask it this way.

3 Would you agree that to make a decision on
4 recusal based on whether the person who might take over
5 might be too tough would be an inappropriate basis to make a
6 recusal decision?

7 MR. SNYDER: I am going to object to what I think
8 is sort of a hypothetical question calling for a legal
9 conclusion.

10 MR. CHERTOFF: I am asking him for--we have had
11 discussion concerning the witness's opinion. I am asking
12 for the witness's opinion.

13 The witness stated an opinion regarding recusal
14 based on a certain set of facts. I am asking the witness
15 whether that opinion would change if one of the
16 considerations was that the person who would replace the
17 recused individual had a reputation for being very tough.

18 MR. SNYDER: Mr. Lindsey has been discussing the
19 opinions he expressed at a meeting which he has testified
20 to. I do not think it is appropriate to ask him for
21 hypothetical legal conclusions about issues he did not
22 discuss with anybody.

1 He is not here as an expert witness.

2 BY MR. CHERTOFF: (Resuming)

3 Q That subject never came up?

4 A Not that I remember.

5 (Pause.)

6 Can I attempt to answer your question over
7 probably the advice of my attorney?

8 Q Sure.

9 A I believe that if there is a basis for recusal,
10 you should recuse. It has nothing to do with who would then
11 have responsibility. It goes to your, you know, conflicts
12 or the sufficient appearance of conflicts. And if there is
13 a basis there, and if you believe that there is a basis
14 there, then you have an obligation to recuse.

15 Q You testified earlier concerning a conversation
16 you had with Mr. Altman that you have some notes on. It is
17 X1181 and X1182.

18 Let me ask you, was this conversation one that
19 occurred after Mr. Altman testified on February 24th?

20 A No. It occurred before then.

21 Q It was before February 24th?

22 A Yes.

1 I'm almost sure of that.

2 Q Let me direct your attention--let me ask you
3 this:

4 The typed portion of this document, was that on
5 the document before the hand-written portion?

6 A Yes.

7 Q So you got the typed portion, and then attempting
8 to respond to this issue you called Mr. Altman or conversed
9 with Mr. Altman and made notes?

10 A Correct.

11 Q Was it your understanding that before Mr. Altman
12 revealed his February 2nd meeting in his February 24th
13 testimony, that that was public knowledge?

14 A Well, when we got this inquiry from a reporter, I
15 think--again, it is hard to tell from this, but I had the
16 sense that the reporter knew that there had been some
17 meeting in which this conversation occurred.

18 So when you say whether it was public or not,
19 there were members of the press who I guess I believed knew
20 something about it because they were asking questions about
21 it.

22 Q Isn't it the fact that this question arose as a

1 result of Mr. Altman's February 24th testimony where he told
2 the Senate that he had been at a White House meeting and had
3 been asked one question, which was to have the outside
4 counsels briefed on the statute of limitations?

5 A No.

6 My clear memory of this I think that this
7 occurred prior to that.

8 Q How much before?

9 A I thought I had a sense that it occurred shortly
10 after the meeting. Again, I don't know whether that was
11 three days or seven days. But if the meeting occurred on
12 the 2nd and the testimony was on the 24th, did you say?

13 Q The 24th.

14 A That seems--I don't believe it was 22 days.

15 I don't believe I had a conversation with Roger
16 after he testified about this sort of matter.

17 Q You had no advance notice about the February 2nd
18 meeting?

19 A That is correct.

20 Q Is that a meeting you would have expected to be
21 invited to, a meeting about Whitewater?

22 A I don't know. You know, it depends on how large

1 it is. It depends on what the purpose is. I don't have any
2 idea.

3 Q Do you know whether in late January 1994 when Mr.
4 Altman was from time to time in the White House, people
5 would stop him and ask him questions concerning the White
6 House statute of limitations issue?

7 A No, I do not know that.

8 Q You've never heard of such a thing?

9 A I don't think so.

10 Q When you talked to Mr. Altman, he advised you
11 that the issue of recusal was discussed at this meeting.

12 Correct?

13 A Yes.

14 Q What did he tell you about what was discussed
15 concerning recusal?

16 A I think he said--I don't have a specific memory.
17 I think he indicated that he discussed the factors he would
18 consider in determining whether to recuse or not.

19 Q Did he explain to you why he was talking about
20 this over at the White House?

21 A No.

22 Q Was this conversation before or after you had the

1 conversation concerning the appointment of Ellen Kulka?

2 A With Bernie? With Mr. Nussbaum?

3 Q Yes.

4 A I think probably after.

5 Q So before the conversations you had with Mr.
6 Altman, you had already had your conversation where Mr.
7 Nussbaum raised the question of Ms. Kulka's appointment?

8 A Raised the question as to whether we had signed
9 off on it.

10 Q To turn to that conversation for a moment, and
11 then we will get back to this one, when Mr. Nussbaum raised
12 the issue of Ms. Kulka with you, did you ask why he was
13 interested in this?

14 A No. I don't have any memory of that.

15 I think he indicated to me that he understood
16 that Ellen Kulka had been appointed general counsel, and had
17 we signed off on it.

18 Q Is that a position that requires Senate
19 confirmation?

20 A I don't believe so.

21 Q Was it your understanding when Mr. Nussbaum was
22 speaking to you that she had already received the

1 appointment?

2 A I think so.

3 I think he was asking me in that context, yes.

4 Q Did you ask him why he was raising the matter now
5 since she already had the appointment?

6 A I didn't know she had the appointment.

7 I mean, he was basically asking me. I didn't
8 know whether she had been appointed, or if anybody had been
9 appointed.

10 As I indicated earlier, I had raised questions
11 earlier when I did personnel about making appointments over
12 the RTC on sort of a piecemeal basis. So I asked Deb Coyle
13 to check with personnel and find out whether--I was no
14 longer directly involved, and somebody else who took over
15 personnel could certainly have been willing to do it a
16 different way than I was willing to do it, but I simply
17 asked her to check and find out whether or not it had gone
18 through our normal procedure and whether she had been signed
19 off on.

20 Q In that first conversation when Mr. Nussbaum
21 asked you this question, did he indicate he knew Ms. Kulka
22 or he had had a prior experience with her?

1 A It's hard for me to remember whether he did then
2 or later. At some point he told me that he didn't know her,
3 but she had been involved in a lawsuit that his law firm had
4 been involved with with respect to another New York law
5 firm.

6 Q Was that a case involving Kay Scholer?

7 A I think that's right. I think that's right.

8 Q Did you ultimately respond to Bernie Nussbaum and
9 tell him what you had learned or not learned concerning the
10 circumstances of Ms. Kulka's appointment?

11 A I either told him or showed him the note that my
12 secretary wrote to me.

13 Q What was his reaction?

14 A I don't remember he had one.

15 Q Now when Mr. Altman spoke to you on the occasion
16 that is reflected on your notes for X1181 and 1182, did he
17 mention that Ms. Kulka's name had come up in a discussion on
18 February 2nd?

19 A I don't believe so.

20 Q Did he tell you that at the time he began the
21 discussion he had talking points?

22 A No.

1 Q Did he tell you that he had announced his
2 intention or his plan to recuse himself?

3 A Excuse me?

4 Q Did he tell you that he had announced his
5 intention or his plan to recuse himself at the meeting on
6 February 2nd?

7 A No. I did not understand that. I understood
8 that he talked about the factors he would consider that are
9 involved in doing it. I didn't have a sense that he had
10 announced that he was going to do anything.

11 Q Did he tell you what the factors he was
12 considering were?

13 A I think he was just relating to me, and we
14 discussed, you know, I don't know, the issue of my recusal.
15 We discussed the procedure we were going to be following
16 between now and February--there was no detailed discussion.

17 I really wasn't interested in this. I was
18 interested in a press report that we had somehow instructed
19 him to do something.

20 So I was trying to sort of get to that point.

21 So my question was probably too generalized by
22 'what happened' and he was telling me what happened, but it

1 was not a discussion in which he was giving me details.

2 Q What did he tell you was the process that would
3 be followed between now and 2/28?

4 A He didn't tell me. He just told me--we discussed
5 the process that we were going to follow between now and the
6 end of February.

7 Q Who brought up the issue of no instructions from
8 anyone?

9 A Well the question was: Did the White House ask
10 him to do it?

11 The two questions were:

12 Did Roger Altman put pressure on the RTC general
13 counsel urging her to brief outside counsel?

14 And did the White House ask him to do it?

15 Then the question down here is, they were looking
16 for guidance. I couldn't give them any guidance. So I was
17 trying to find out what had happened.

18 So I called them and said, what happened?

19 He said, you know--I think I probably read this
20 to him and said, what happened?

21 He said, well, I came over there.

22 We discussed this and this.

1 And he said at the end of the meeting Maggie
 2 asked whether we were going to do it.
 3 She didn't instruct me to do it.
 4 She asked me whether we were going to do it.
 5 I told her I didn't know, I'd have to check.
 6 I came back.
 7 I checked with my counsel who said, you know,
 8 yes, but not now. And that was the end of it.
 9 So the answer is, no one instructed you to do
 10 anything?
 11 And he said, yes.
 12 Again, this is not word for word.
 13 And I said, well, can somebody please call the
 14 reporter back and indicate to him that there was no
 15 instructions from anyone? Explain to him what happened.
 16 Q After February 24th you've testified about your
 17 awareness that there were discussions at the White House
 18 about the accuracy of Mr. Altman's testimony.
 19 Did the President get involved in those
 20 discussions?
 21 A No.
 22 Q Was the President informed there was a question

1 about it?
 2 A Not by me.
 3 I don't know.
 4 Q Who were the people principally involved in those
 5 discussions?
 6 A I think I did that, but John Podesta, Neil,
 7 Bernie, myself. I'm not sure there was anybody else. Joel
 8 Klein.
 9 Q Did those discussions continue during the period
 10 that all the four letters were being sent?
 11 A Well, the only sort of meeting I went to was
 12 before the first letter. As I testified earlier, I may have
 13 commented to people about other letters, or they may have
 14 commented to me about it, but there was no--I didn't
 15 participate in any other formal meeting.
 16 I don't know whether anybody had any other
 17 meetings, or whether or not--well, I don't know whether
 18 anybody conveyed even our concerns. I did see the note, but
 19 I don't have any direct knowledge that anybody conveyed our
 20 concerns to Roger, though that was clearly part of the
 21 intent that we should tell him that we think that this is
 22 incomplete.

1 I don't know after he wrote the first letter if
2 there were additional discussions or not with him.

3 So I only participated in one meeting, though I
4 think I had discussions with various people, whoever was
5 around when the letter came, or whatever.

6 Q When did the President learn that Mr. Altman had
7 finally decided to recuse himself after the testimony on
8 February 24th?

9 A I don't know.

10 Q Do you know how he learned?

11 A Oh, I've read press reports--

12 Q Forget the press.

13 A I don't have any direct knowledge.

14 Q Do you remember hearing that the President was
15 angry about the manner in which it was done?

16 A In press reports.

17 Q Nothing from within the White House?

18 A No.

19 Q Did you ever discuss with the President or hear
20 of discussions with the President concerning the matter of
21 Mr. Altman's recusal?

22 A No.

1 Q What about with the First Lady?

2 A No.

3 Q Now when did you first hear about Jay Stevens
4 becoming a retained attorney for the RTC in the Madison
5 matter?

6 A I don't know.

7 I mean--I don't know.

8 Q Was there discussion of that within the White
9 House around the time that Mr. Altman was preparing to
10 testify on the 24th of February?

11 A I don't believe so.

12 Q After Mr. Altman testified, do you remember some
13 discussion in the White House within the next few days
14 concerning Mr. Stevens?

15 A No.

16 I never participated in any--I believe at some
17 point someone told me--I don't even know if they told me Jay
18 Stevens or named his law firm that they had been hired. I
19 never participated in any discussions in the White House
20 about the significance of that, or anything.

21 Q Do you know anybody who did?

22 A I have read press reports.

1 Q Other than press reports?

2 A No.

3 MR. SNYDER: Do you think we are getting close?

4 MR. CHERTOFF: We are getting very close.

5 BY MR. CHERTOFF: (Resuming)

6 Q Do you recall an occasion in the Oval Office at
7 which the President expressed some amusement and frustration
8 and concern about the hiring of Jay Stevens by the RTC when
9 Mr. McLarty was present, or at least was entering the room?

10 A (Pause.)

11 I have no specific memory of it. I have some
12 vague memory, but I don't have any specific memory. If
13 somebody--I don't know. If you ask me whether or not I ever
14 had a discussion or was involved in a discussion with the
15 President about Jay Stevens, I would have said, no.

16 The way you described it, I just don't know.

17 Q Would it refresh your memory to hear that Mr.
18 McLarty recalled such an occasion in which he walked into
19 the Oval Office and you were there and the President was
20 expressing some thoughts about the hiring of Jay Stevens and
21 his mood was one of concern, frustration, and amusement?

22 A "Concern, frustration, and amusement?"

1 Again, it is not impossible, but I don't have any
2 specific recollection of it.

3 Q You testified earlier that you were involved to
4 some degree in Stanley Tate's nomination and I guess
5 ultimately unsuccessful effort to become confirmed as the
6 CEO of the RTC?

7 A Correct.

8 Q When did he withdraw as CEO from the RTC?

9 Or when did he withdraw his nomination for CEO?

10 A Again I don't remember. It was either late 1993
11 or early 1994.

12 Q Do you remember who he discussed that with before
13 he made the decision?

14 A No.

15 Q Did he discuss it with you?

16 A No.

17 I don't think I've ever met Mr. Tate.

18 Q Was there someone he was dealing with in terms of
19 his nomination?

20 A Within the White House?

21 Q Within the White House.

22 A (Pause.)

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1 I don't know. Leslie Madden was our Treasury
2 Department liaison from personnel.

3 Usually once people are nominated, the counsel's
4 office gets involved and deals with them with respect to
5 their forms.

6 There could be several people in the White House
7 who dealt with him. I have no knowledge that they did, but
8 I certainly don't know that he discussed or they discussed
9 with him his decision to withdraw.

10 Q Was there a decision after Mr. Tate withdraw not
11 to nominate someone for that position as long as Congress
12 was making, or raising issues concerning the Whitewater
13 matter?

14 A No. Not that I'm aware of. I thought we
15 actively started beginning to look for somebody to nominate.

16 Q Did someone actually get nominated?

17 A I had a discussion with several people about, and
18 I can't think of his name--

19 MR. SNYDER: I am going to interrupt here. I
20 think this is way far afield of White House-Treasury
21 contacts and internal discussions about whom they are going
22 to nominate I think is just inappropriate.

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1 MR. CHERTOFF: Really, my last question is, I am
2 not asking whether someone is going to be nominated; I am
3 asking whether someone was nominated from the time Mr. Tate
4 withdrew his nomination to the present.

5 THE WITNESS: The answer is, I don't know. I
6 just don't know.

7 Months ago we had someone. So I don't know.

8 BY MR. CHERTOFF: (Resuming)

9 Q Let me ask you one last question regarding, going
10 back to the meeting that you described shortly before Mr.
11 Altman testified on February 24th, and it is the issue of
12 recusal.

13 Well, actually let me withdraw the question and
14 put it this way:

15 Focusing your attention to the month of February
16 1994, do you remember Joel Klein expressing the view that
17 the White House should not be involved in recusal
18 discussions related to Madison?

19 A No.

20 Q Did you ever take a view on whether the White
21 House ought to be involved in giving advice to Mr. Altman
22 concerning his decision about whether or not to recuse on

1 Madison?

2 A I think the answer to that is, in that sense, no.
3 I mean, I was involved in discussions, as I said, with
4 various people about whether or not being a Clinton
5 appointee in and of itself was sufficient.

6 I was never involved in any discussions with
7 respect to whether or not Mr. Altman should recuse or not
8 recuse.

9 I did not know enough of the facts of anything,
10 other than if the sole basis for that was that he was a
11 Clinton appointee, I did not believe, certainly on an
12 institutional basis, that that was a sufficient basis.

13 Q Were you ever asked to weigh in on that issue in
14 terms of getting familiar with the considerations and
15 specific facts?

16 A For his? No.

17 Q How about Mr. Altman's recusal?

18 A No. And again, the answer to your question is, I
19 don't know of anyone--I certainly did not participate--I
20 don't know of anyone who participated in discussions with
21 respect to his particular facts.

22 Q Other than your knowledge of the February 2nd

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1 meeting, I take it?

2 A Well, again, my knowledge of the February 2nd
3 meeting was that he came over there and discussed the
4 factors he would be considering, not that anybody, you know,
5 instructed him one way or the other with respect to it, or
6 advised him with respect to it.

7 Q So based on your conversations with Mr. Altman,
8 you were not aware that anybody from the White House had
9 attempted to advise him concerning his recusal in that
10 meeting?

11 A I don't think so.

12 Q This is the last question, but I want to make
13 sure it is clear.

14 MR. SNYDER: You said that four questions ago.
15 (Laughter.)

16 BY MR. CHERTOFF: (Resuming)

17 Q When you say "no," you mean your understanding
18 from your conversation with Mr. Altman was that the February
19 2nd discussion of recusal consisted only of Mr. Altman
20 stating what his factors were, and not of anybody from the
21 White House side advising Mr. Altman on what to do?

22 Correct?

1 A No, I'm not sure that's true.

2 Q Tell me what your recollections are.

3 A I don't know what my recollection is.

4 I don't know what occurred at the February 2nd
5 meeting. I have learned through--

6 Q Forget the press.

7 A But that's the problem. It is hard for me
8 sitting here in whatever date this is, July of 1994, to tell
9 you what I knew then and what I have since known, or since
10 learned, or since read.

11 So I have no specific knowledge of what anybody
12 said. Whether or not I knew that there was discussion that
13 was a one-way street, I might know that, but I don't know
14 what that discussion was.

15 So the way you said it at the end was sort of
16 this is Roger Altman saying something and everybody else
17 sitting mute. I don't know if that would be an accurate
18 characterization. But I simply don't have any idea if
19 anybody said anything what they said.

20 MR. CHERTOFF: That closes it for me.

21 Do you have any more?

22 MS. MALONEY: No.

1 MR. CHERTOFF: there is a normal little one-
2 minute statement that Majority counsel always makes before
3 they close these things. You won't want to miss that.

4 THE WITNESS: It will be one minute past 8:30.

5 MS. MALONEY: We just usually make a concluding
6 request to witnesses to advise them that we would request
7 that they not disclose their testimony--we request that you
8 not discuss your testimony with anyone other than your
9 personal counsel.

10 You should be aware that we will be asking each
11 witness with whom we speak whether or not they have spoken
12 to other witnesses. If you do speak to them, that
13 information will become a part of the public record and
14 could be embarrassing to someone. I just simply wanted to
15 let you know.

16 (Whereupon, at 8:32 p.m., the deposition was
17 adjourned.)

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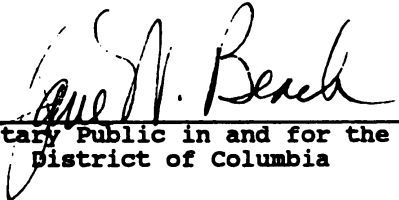
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CERTIFICATE OF NOTARY PUBLIC & REPORTER

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I, JANE W. BEACH, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn; that the testimony of said witness was taken in shorthand and thereafter reduced to typewriting by me or under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and, further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.



Notary Public in and for the
District of Columbia

My Commission Expires NOVEMBER 14, 1996

**DEPOSITION OF
THOMAS F. (MACK) McLARTY, III
IN RE: S. RES. 229**

THURSDAY, JULY 21, 1994

**U.S. SENATE,
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
Washington, DC.**

Deposition of THOMAS F. (MACK) McLARTY, III, called for examination pursuant to notice of deposition, at 9:10 a.m. in the Old Executive Office Building, Second Floor, before JULIE BAKER, a Notary Public within and for the District of Columbia, when were present:

J. WILLIAM CODINHA, Esq.
Majority Special Counsel
BETH O'NEILL MALONEY, Esq.
Majority Counsel
MICHAEL CHERTOFF, Esq.
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U.S. Senate
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On behalf of the Deponent.

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1 PROCEEDINGS

2 MR. CODINHA: My name is J. William Codinha. I'm
3 special counsel to the Senate Banking Committee
4 representing the Democrats and the Chairman, Senator
5 Riegle. With me is Beth O'Neill-Maloney, who is also with
6 the majority, Michael Chertoff, who is the Republican
7 special counsel, and Ray --

8 MR. NATTER: Natter.

9 MR. CODINHA: -- Natter, who is also with the
10 Republicans.

11 We are conducting an investigation under Senate
12 Resolution 229 into whether improper conduct occurred
13 regarding A, communications between officials of the White
14 House and the Department of the Treasury or the Resolution
15 Trust Corporation relating to the Whitewater Development
16 Corporation and Madison Guaranty Savings & Loan
17 Association; B, the Park Service Police investigation into
18 the death of White House deputy counsel Vincent Foster; and
19 C, the way in which White House officials handled documents
20 in the office of White House deputy counsel Vincent Foster
21 at the time of his death.

22 I have had some consultation with your lawyer and

1 I have explained to him that we do not intend to inquire of
2 you today as to area number 3, the handling of the Foster
3 papers post-mortem, and the reason for that is that
4 Mr. Fiske has requested the Senate to delay their
5 investigation in that area because he is still inquiring
6 into it.

7 I would advise you that because of the Senate
8 mandate under Senate Resolution 229, it therefore may
9 become necessary to redepose you. I explained to your
10 counsel when I spoke to him last night that we do not have
11 a time frame that we understand when that's going to
12 happen. I would also tell you that if Mr. Fiske completes
13 his investigation before the Senate hearings are done and
14 the senators decide to go forward on that issue, it's going
15 to put us under enormous time requirements to redepose you
16 on the issue. So I just want to let you know that. At
17 this point, I'd like to mark Senate Resolution 229 as
18 Exhibit 1.

19 (McLarty Exhibit 1 identified.)

20 MR. TAYLOR: As a matter of procedure,
21 Mr. Codinha, I'd also like to inquire of you and your staff
22 whether in response to our conversation last night you

5

1 determined whether you have in your possession FBI reports
2 of interviews of Mr. McLarty.

3 MR. CODINHA: I have made that determination.
4 There is one FBI report, one 302 that we do have. And
5 consistent with our discussions, I've discussed it with
6 Mr. Chertoff, and it has been resolved that because of the
7 committee confidentiality requirements, we will not be
8 giving it to you or showing it to you.

9 MR. TAYLOR: Well, as you know, we've requested
10 to have it as a matter of fairness and also because in the
11 interest of efficiency, if you have previous reports of
12 testimony or interviews Mr. McLarty has given, it might
13 expedite the matters. We don't need to take the time at
14 this point to disagree further about that.

15 MR. CODINHA: Thank you, sir.

16 Mr. McLarty, this deposition is being taken as a
17 result of a written request from the Senate Banking
18 Committee from the ranking majority and minority Senators
19 Riegle and D'Amato. This deposition is in advance of
20 hearings which are scheduled to begin on or before July 29,
21 1994. I would advise you that it is likely you'll be
22 called to testify before the Senate Banking Committee at

6

1 those hearings, so please keep that in mind when building
2 your own schedule, and I can't be more precise as to when
3 it will be anticipated you'd be called. If we determine at
4 the end of your deposition that you won't be called, we
5 will try to advise you of that, too, because I realize the
6 consequences to your schedule.

7 THE WITNESS: Thank you.

8 MR. CODINHA: Mr. McLarty, what will happen at
9 this deposition is you'll be placed under oath, and I'll be
10 asking you a series of questions to which you will be
11 expected to give honest and truthful answers. If you don't
12 understand a question that I'm putting to you, identify the
13 portion of the question you don't understand and I'll
14 rephrase it. I would ask you, please, not to guess or
15 speculate because follow-up questions may point out that
16 you're guessing and speculating, and we'll sort of have to
17 start over again.

18 The stenographer will prepare a record of all
19 questions, answers and any objections to this deposition.
20 The transcript of the deposition will be kept committee
21 confidential until the commencement of the hearings, at
22 which time the members will decide how to handle this

1 transcript. You and your counsel may review the transcript
2 at the offices of Kelly Cordes in the Senate Banking
3 Committee, and if you call during ordinary business hours,
4 9:00 to 5:00, they will set up a time when you or your
5 counsel can review it. You will not be receiving a copy of
6 the transcript prior to the hearings. If it's determined
7 that the transcript is going to be released and you request
8 a copy, then you would obviously get a copy under those
9 circumstances.

10 There will be at the time the transcript is
11 prepared for your reading a jurat page available. Your
12 counsel can explain a jurat page, but it's an ability for
13 you to make changes in the deposition. I would tell you
14 that if you're changing things like spellings of names or
15 minor changes like that, it probably is not going to cause
16 a concern on the jurat page. If your answers substantially
17 change, for instance, from a yes to a no to a question, it
18 may require that you be redeposed, so I would just make you
19 aware of that.

20 You have counsel with you here today. For the
21 record, would you identify yourself, Counsel.

22 MR. TAYLOR: William Taylor and Leslie Berger.

1 MR. CODINHA: And you obviously can confer with
2 your counsel at any time that you'd like. I will tell you
3 the stenographer will make a record that you're conferring
4 with your counsel but that should not inhibit you in any
5 way. Because these are not my offices, they're offices of
6 yours, you will have private rooms available, I take it, to
7 make consultations in them.

8 If the deposition goes long enough, we may take
9 breaks. We usually take a break every hour or hour and a
10 half or so. If at any time you want a break during the
11 deposition, you just say to your counsel I'd like to take a
12 break, and we'll break at that time and come back.

13 THE WITNESS: Thank you.

14 MR. CODINHA: The scope of this deposition will
15 be strictly limited to the scope of the hearings as
16 delineated in Senate Resolution 229. Counsel may make
17 objections to the form of the question. Objections to the
18 form of the question will be addressed, meaning that
19 counsel will either rephrase the question or request that
20 you answer the question as asked.

21 If counsel has a suggestion as to how he would
22 like the question reframed, if it meets what we would like

1 to do, we will obviously go with his suggestion.
 2 Otherwise, you may be asked to answer the question as it
 3 stands.

4 There is a special objection that we're using in
 5 these particular depositions that you should be aware of.
 6 It's an objection that the subject matter of the question
 7 is outside the scope of Senate Resolution 229.

8 In the event that a scope objection is made and
 9 not resolved on the record, the questions will be asked for
 10 the record and held until the conclusion of the deposition,
 11 at which time it will be brought to the attention of the
 12 chairman, Senator Riegle, or his designee for a final and
 13 binding determination as to whether an answer is required.

14 So if a scope objection is made, please do not
 15 answer the question unless you are advised that the
 16 objection has been resolved. I would just advise you we've
 17 taken a lot of depositions under this resolution at this
 18 point and the only people who tend to make the scope
 19 objections are either Mr. Chertoff or myself because we're
 20 the ones who really have to deal with the issue.

21 Do you understand the terms under which this
 22 deposition is being taken?

1 THE WITNESS: I believe that I do.

2 MR. CODINHA: Would the stenographer administer
 3 the oath.
 4 Whereupon,

5 THOMAS F. (MACK) MC LARTY, III
 6 was called as a witness and, having first been duly sworn,
 7 was examined and testified as follows:

8 EXAMINATION

9 BY MR. CODINHA:

10 Q Mr. McLarty, would you tell us your full name.

11 A Thomas Franklin McLarty, III.

12 Q And how do you spell your name, sir?

13 A M-c-L-a-r-t-y.

14 Q What is your date of birth?

15 A June 1, 1946.

16 Q And what is your Social Security number?

17 A I'll have to refer to my billfold and records.

18 We might pass that and go on and come back to it.

19 Q We'll come back to it.

20 Mr. McLarty, where do you live?

21 A

22 Q With whom do you live there?

1 A I live with my wife, Donna.

2 Q And prior to coming here, did you talk to anyone
3 besides your counsel about the subject matter of this
4 deposition?

5 A I had some conversations with Mr. Bill Burton and
6 Mr. David Gergen at an earlier point in time to refresh my
7 memory, as well as my secretary, Patty McHugh.

8 Q Who is Bill Burton?

9 A B-u-r-t-o-n, Bill Burton was on my staff until
10 recently. He had joined me and the administration about a
11 year ago. He has now left, rejoined his law firm, Jones,
12 Day, in Austin, Texas.

13 Q When did you have the conversations with
14 Mr. Burton?

15 A The conversations with Mr. Burton were probably
16 two months ago.

17 Q How many conversations did you have with
18 Mr. Burton?

19 A Just one.

20 Q And where did that conversation take place?

21 A It was in the White House in my office.

22 Q Do you recall the subject matter of the

1 conversation?

2 A It was basically to refresh my memory primarily
3 about the night that Mr. Foster took his life. Mr. Burton
4 was the person who had notified me of that tragedy, and I
5 simply wanted to reconstruct those events in my mind since
6 it had been several months since that had occurred.

7 Q Did you have any conversations other than on that
8 subject with Mr. Burton at that time?

9 A No, I did not.

10 Q The other thing I would tell you is that
11 obviously when I say did you have any other conversations,
12 I'm referring to the subject matter of Senate Resolution
13 229. I realize you may have had lots of conversations.

14 A That's how I took the question.

15 Q You also said that you had some conversations
16 with Mr. Gergen?

17 A Yes.

18 Q Who is Mr. Gergen?

19 A Mr. Gergen at that time was counsel to the
20 president.

21 Q And when did the conversations take place?

22 A About the same time, a couple of months ago.

1 Q What was the subject matter?

2 A Again, to refresh my memory on certain events the
3 night of Mr. Foster's suicide. Mr. Gergen had joined me at
4 the Foster home and was with me through the remainder of
5 that evening until I went home, and I wanted to refresh my
6 memory about events of that night.

7 Q With respect to the conversations you had with
8 Mr. Gergen, did you discuss any other subject matter of
9 Senate Resolution 229?

10 A There may have been a couple of other aspects
11 relating to Mr. Foster's suicide that were discussed. The
12 later interview with the Park Police, Mr. Gergen was there
13 that evening and I simply again wanted to refresh my memory
14 of those events, and Mr. Gergen had some conversations with
15 Mr. Collier, and we discussed that.

16 Q Did any of the discussion you had with Mr. Gergen
17 prior to coming to this deposition deal with Madison or
18 with Whitewater?

19 A No, I don't believe that they did.

20 Q Did any of the discussions you had with
21 Mr. Gergen prior to coming to this deposition deal with --
22 and I'm talking about the conversation you've just

1 identified --

2 A That's how I took the question.

3 Q -- deal with the issue of Mr. Altman's recusal?

4 A No, it did not.

5 Q Do you recall any other subject matter that you
6 talked to Mr. Gergen about besides Mr. Foster's death that
7 you haven't already informed us about?

8 A No. It was a general refreshing of my memory of
9 any time Mr. Gergen was with me that we dealt with this
10 matter of Mr. Foster's suicide, the two or three periods we
11 were together, and we simply discussed that, again, to
12 refresh my memory, and his, too.

13 Q At the meeting that you had with Mr. Burton to
14 refresh your memory, was that a single meeting?

15 A It was.

16 Q Did you take notes at that meeting?

17 A No, I did not.

18 Q Did anyone take notes at that meeting?

19 A No, I don't believe Mr. Burton took notes.

20 Q At the meeting with Mr. Gergen -- strike that.
21 You indicated that there may have been two or
22 three times you discussed --

1 A Conversations. Not formal meetings, but
2 conversations.

3 Q During those conversations, was anyone else
4 present?

5 A No, they were not.

6 Q Did you take notes at those meetings?

7 A No, I did not.

8 Q Did anyone else take notes at the meeting?

9 A No. Mr. Gergen did not take notes.

10 Q Have you had conversations with anyone else
11 besides Mr. Burton and Mr. Gergen about the subject matter
12 of this deposition besides your counsel?

13 A No, I don't recall that I have.

14 Q Did you review any documents in preparation for
15 this deposition?

16 A In consultation with my attorney, Mr. Taylor and
17 Ms. Berger showed me several documents that I might be
18 asked about at this deposition.

19 Q Do you recall the documents that you were shown?

20 A There were several documents. Some were
21 correspondence between Mr. Altman and the -- Mr. Altman and
22 the Senate Banking Committee, Mr. Riegle. Those are the

1 documents I recall.

2 Q Do you recall being shown any documents -- strike
3 that.

4 Do you recall being shown any documents that you
5 were told were the diaries of Mr. Altman?

6 A No, I don't believe I saw any pages of the diary
7 of Mr. Altman. Mr. Taylor, I think, raised that issue --

8 MR. TAYLOR: No. Don't tell him anything that
9 you and I talked about. He's entitled to know what you
10 looked at, but not what you and I discussed.

11 THE WITNESS: Mr. Taylor, I'm glad you hit me as
12 politely as you did.

13 BY MR. CODINHA:

14 Q Have you had any discussions with anyone besides
15 your counsel about the subject of diaries of Mr. Altman?

16 A No, I have not.

17 Q When was the first -- do you know whether
18 Mr. Altman kept diaries?

19 A I do not.

20 Q Have you reviewed Mr. Steiner's diary in
21 preparation for this deposition?

22 A No, I have not.

1 Q Has anybody reviewed with you Mr. Steiner's
2 diary?

3 A No, they have not.

4 Q Are you aware that Mr. Steiner kept a diary?

5 A I think there was a public account to that
6 effect.

7 Q Can you recall any other documents that you
8 reviewed besides the ones that you have told us about?

9 A No. Mr. Taylor showed me several documents in
10 preparation for this deposition. I believe most of them,
11 if not all, had to do with correspondence between
12 Mr. Altman and the Senate Banking Committee.

13 Q You are here as a result of a letter request from
14 the Senate that you testify on July 16, 1994. The Senate
15 Banking Committee sent you a request asking you to bring
16 your CV or curriculum vitae along. Your counsel has
17 provided me a copy of the document. Is this the CV you
18 provided?

19 A It is.

20 MR. CODINHA: May I have that marked as the next
21 exhibit.

22 (McLarty Exhibit 2 identified.)

1 BY MR. CODINHA:

2 Q Was this document, Exhibit 2, prepared by you or
3 at your direction?

4 A It was at my direction.

5 Q Have you reviewed it?

6 A Yes, I have.

7 Q Is it accurate?

8 A It is accurate.

9 Q Have you been interviewed or given testimony to
10 any other investigating body about the subject matter of
11 Senate Resolution 229?

12 A Yes, yes, I have.

13 Q What other interviews or testimony have you given
14 relating to this?

15 A The Office of Government Ethics and also the
16 special counsel's representatives or colleagues interviewed
17 me, and I believe the FBI was also present at that
18 interview.

19 Q When were you interviewed by the Office of
20 Independent Counsel, if you recall?

21 A About four to six weeks ago, I believe. I don't
22 recall the exact date.

1 Q As a result of -- strike that.

2 Have you testified before the grand jury?

3 A No, I have not.

4 Q You indicated special counsel interviewed you.

5 Is there a difference in your mind between Office of

6 Independent Counsel and special counsel?

7 A No. Independent counsel -- I'm not a lawyer, but
8 my understanding of the law was -- the independent counsel
9 law was not passed at that time and Mr. Fiske was the
10 special counsel. You may be making another distinction.
11 I'm referring to Mr. Fiske and his colleagues.

12 Q All I'm trying to determine is whether you
13 understand that you've been interviewed by two different
14 offices, or did you understand them to be the same office?

15 A I understood them to be the same office, with the
16 Government Ethics being a separate office.

17 Q How many times were you interviewed by the Office
18 of Independent Counsel, if you know?

19 A Twice.

20 (Witness conferred with counsel.)

21 THE WITNESS: I was interviewed twice. My
22 attorney reminds me I had a sworn deposition on one

20

1 occasion.

2 Q Do you recall the dates on which you were
3 interviewed?

4 A No, I do not.

5 Q But they were all within the last four to six
6 weeks?

7 A I would have to check the records in terms of the
8 time frame.

9 MR. TAYLOR: I'll give that to you.

10 MR. CODINHA: Thank you very much.

11 BY MR. CODINHA:

12 Q You indicated you were also interviewed by the
13 FBI. Was that separate from the Office of Independent
14 Counsel, or was that in concurrence with that
15 investigation?

16 A They were present at the interview and the
17 deposition, as I recall.

18 Q Were you interviewed by the Office of Government
19 Ethics?

20 A Yes.

21 Q When did that take place?

22 A It took place this week, earlier this week.

21

1 Q Were notes kept of that -- was a transcription
2 made of that interview?

3 A It was my understanding, I believe, it was
4 tape-recorded.

5 Q Have you seen or reviewed a transcript of that
6 tape-recording?

7 A Of the government ethics?

8 Q Yes.

9 A No, I have not.

10 Q Do you know whether you have received a copy of
11 it, either you or your counsel received a copy of it?

12 A I don't believe we have.

13 Q Have you requested a copy of it?

14 MR. TAYLOR: Been too busy, Mr. Codinha.

15 MR. CODINHA: We would ask that if you do receive
16 a copy of it, do you have any objection to us getting a
17 copy of it?

18 MR. TAYLOR: We'll take that under consideration.

19 MR. CODINHA: We would make the request of you
20 that we get a copy.

21 BY MR. CODINHA:

22 Q Have you been interviewed by any other

22

1 investigative body that you can now recall?

2 A The Park Police interviewed me the evening the
3 scraps of paper were, I believe, found in Mr. Foster's
4 briefcase when his office was being cleaned out.

5 Q Have you been interviewed by the Treasury's
6 Inspector General's office?

7 A I don't believe that I have.

8 MR. TAYLOR: This is not something we need to
9 take up a lot of time with. The interview that he refers
10 to is the OGE interview that was conducted by the Treasury
11 and OTC on behalf of the Office of Government Ethics, as I
12 think you know.

13 BY MR. CODINHA:

14 Q Have you been interviewed by the White House?

15 MR. TAYLOR: White House counsel?

16 MR. CODINHA: White House counsel.

17 THE WITNESS: By representatives of that office I
18 have been interviewed.

19 BY MR. CODINHA:

20 Q When did that take place?

21 A About two weeks ago.

22 Q Who conducted that interview?

1 A Ms. Sherbourne conducted that interview.
 2 Q Was Ms. Cheston present?
 3 A She was.
 4 Q Was Mr. Cutler present?
 5 A No, he was not.
 6 Q I'm now turning to the subject of Senate
 7 Resolution 229, and my questions will begin after January
 8 20th of 19 -- well, let me take a step back.
 9 What position do you now hold?
 10 A I'm counselor to the president.
 11 Q For how long have you held that position?
 12 A About two weeks.
 13 Q Did you hold a former position in this
 14 administration?
 15 A Yes, I did.
 16 Q What position did you hold?
 17 A Chief of staff to the president.
 18 Q When did you begin in your position as chief of
 19 staff?
 20 A I was named shortly before the beginning of 1993
 21 and then formally assumed office after the inaugural
 22 activities.

1 Q So after January 20th of 1993?
 2 A On a formal basis.
 3 Q As chief of staff to the President of the United
 4 States, to whom did you report?
 5 A I reported to the president.
 6 Q How long did you hold the position of chief of
 7 staff to the President of the United States?
 8 A For a period of about 18, 19 months.
 9 Q So you moved from being chief of staff to counsel
 10 of the president. You held no other interim --
 11 A That's correct.
 12 Q I'm sorry. Is it counsel --
 13 A No, it's counselor.
 14 Q As chief of staff to the president, who reported
 15 to you?
 16 A The deputy chief of staff or deputy chiefs of
 17 staff were a direct report to me. There are a number of
 18 assistants to the president who either reported to the
 19 chief of staff office or through that office to the
 20 president. The policy assistants to the president
 21 generally have the understanding they report to the
 22 president but through the chief of staff's office.

1 The assistants to the president that are not
2 involved with the policy generally report to the chief of
3 staff's office, and the deputy chief of staff or chiefs of
4 staff -- sometimes there's more than one -- have a direct
5 reporting relationship.

6 Q Is there an office of counsel to the president?

7 A There is White House counsel or office of the
8 counsel, yes.

9 Q And if you know, to whom does office of the
10 counsel report?

11 A It reports to the chief of staff office, but has
12 a fiduciary responsibility -- those are corporate terms or
13 corporate terminology -- to the president, much like in a
14 corporation of a general counsel reporting relationship.

15 Q Is there a press aspect to the White House?

16 A There is.

17 Q What is the chief office in the press grouping
18 called?

19 A Generally, it's been assistant to the president
20 for communications. It has been the top press person or
21 person that has the primary responsibility for
22 communications with the press.

1 Q How does that reporting work from the assistant
2 to the president for communications? To whom does that
3 person report?

4 A It reports to the chief of staff's office.

5 Q And through that to the President of the United
6 States?

7 A Yes.

8 Q When after -- I'm now going to turn my
9 questioning to times after January 20th, '93. That's from
10 the time you took office as chief of staff. I'm not asking
11 you about incidents involving the campaign or times before
12 January 20th, '93.

13 A I understand.

14 Q When after January 20th, 1993 did you first
15 become aware of the Whitewater Development Corporation,
16 Madison Guaranty Savings & Loan, or sometimes called
17 Whitewater or sometimes called Madison?

18 MR. TAYLOR: As to form, Mr. Codinha, if he was
19 aware of it before January 20, 1993, the answer is not
20 going to be responsive.

21 BY MR. CODINHA:

22 Q Let me tell you that I'm interested in what

1 happened after January 20, 1993, but your counsel is
2 right. If you knew about it before then, it would mean
3 something to you. Let me take a step back and rephrase the
4 question.

5 Have you ever heard of Whitewater Development
6 Corporation or Madison Guaranty Savings & Loan?

7 A Yes, I have.

8 Q When was the first time you heard of either of
9 those entities?

10 A I don't recall the exact date. The Madison
11 Guaranty was a company, financial institution that was
12 based in Arkansas, and of course, I was a resident of
13 Arkansas so I was aware of it by just virtue of residency
14 there. The Whitewater Development Company -- and I think
15 Madison had been in Little Rock for several years. I don't
16 recall the exact date of when I first became aware of it.
17 The Whitewater Development Company -- I can't recall the
18 exact date. I may have been aware of it prior to the
19 presidential campaign. It may have been raised in other
20 campaigns, but it was an issue that had some press
21 visibility during the 1992 campaign. In keeping up on a
22 general basis with the press about that campaign with the

1 governor from Arkansas running for president and friend, I
2 was aware of the press accounts of the Whitewater
3 Development Company.

4 Q When after January 20, 1993 did you first hear of
5 Whitewater Development Corporation or Madison Guaranty
6 Savings & Loan?

7 A Probably was late fall of 1993 when I heard, so
8 to speak, of those entities.

9 Q When you say "late fall," are you able to give us
10 any better time frame?

11 A No, I'm really not.

12 Q What does "late fall" mean to you?

13 A In terms of first hearing about it, I don't
14 recall the specific dates. I would probably say November
15 to December. It could have been a bit earlier than that,
16 but I'm trying to be responsive to your question.

17 Q What were the circumstances under which you first
18 heard of either Madison or Whitewater?

19 A I recall my leaving a meeting with the president
20 and another meeting being scheduled, which I was not a part
21 of, that I understood was going to be about certain matters
22 relating to Whitewater.

1 Q Who told you -- strike that.

2 How did you determine that the second meeting
3 which you were not going to be a part of was going to be
4 about Whitewater?

5 A I think that comment was made as I was literally
6 leaving the meeting that we were holding on a totally
7 different subject.

8 Q Who made the comment to you, if you recall?

9 A I don't recall who made that comment.

10 Q When you heard the comment, what did that mean to
11 you, that it was a meeting on Whitewater? What, if
12 anything, did it mean to you?

13 A It was my limited understanding that there might
14 be certain issues relating to the Whitewater Development
15 Company that were going to be raised in some forum that
16 needed to be evaluated or reviewed by the president.

17 Q And was the comment that there was going to be a
18 Whitewater meeting made to you or to the president, if you
19 know?

20 A It was as I was leaving the room, and it was just
21 my understanding that's what the meeting was going to be
22 about.

1 Q Did the president attend that meeting?

2 A I was not at the meeting, so I'm not sure who was
3 in attendance at the meeting.

4 Q When you heard the comment that the meeting was
5 going to be about Whitewater, where were you? Were you in
6 the Oval Office or in some other --

7 A I believe we were in the residence, as I recall.
8 It was on the weekend, as I remember it.

9 Q Were people coming to a meeting there, or was the
10 meeting to take place in some other location, if you know?

11 A It was my impression the meeting was to take
12 place there.

13 Q In the residence?

14 A That was my impression.

15 Q Was this a government official who made the
16 comment, or was it, for instance, David Kendall, the
17 president's lawyer, who made the comment, if you can
18 recall?

19 A As I remember it, Mr. Kendall was there, and as I
20 believe Mr. Lindsey was there.

21 Q Do you recall anybody else being present?

22 A I believe the first lady was there.

1 Q And you believe this was in the November,
2 December time frame of 1993?

3 A I believe that's correct.

4 Q Did you become aware in 1992 of a criminal
5 referral concerning Madison?

6 MR. TAYLOR: You're now in 1992?

7 MR. CODINHA: Yes, I'm asking about 1992.

8 BY MR. CODINHA:

9 Q Did you become aware in 1992 of a criminal
10 referral that related to Madison?

11 A No, I was not aware of that.

12 Q Did you become aware at sometime in 1993, after
13 January 20th, of a second set of criminal referrals
14 relating to Madison?

15 A No, I don't believe I was aware of a criminal
16 referral relating to Madison in 1993. That is a legal
17 term, and it did not have any meaning to me in 1993.

18 Q When you say it's a legal term, what is the term
19 you mean is a legal term, the "criminal referral"?

20 A Yes.

21 Q Did you become aware in 1993 that the RTC had
22 sent some cases to the Justice Department that dealt with

1 Madison?

2 A At some point in 1993, I became generally aware
3 of that.

4 Q When do you believe that occurred?

5 A It's in the time frame of the late November,
6 December time frame, I believe.

7 Q Do you believe that was before or after the
8 meeting, the meeting that occurred with the president?

9 A It was sometime after that meeting, I believe.

10 Q What was your source of information about the RTC
11 referring certain cases to Justice?

12 A I don't recall the specific source. At some
13 point, I think the matter that Whitewater Development
14 Company and Madison had been referred to the Justice
15 Department for some type of review, it became general
16 knowledge sometime in this time period I've already noted.

17 Q Did you have any discussions that you can now
18 recall during the November, December time frame with any
19 government official about the RTC referring these cases to
20 Justice?

21 A I can't recall any discussions. The matter that
22 we're discussing was the responsibility of Mr. Nussbaum,

1 who was the White House counsel from a White House
2 standpoint, and Mr. Kendall, who was the president and
3 Mrs. Clintons' personal attorney.

4 Q When you say the matter we're referring, the
5 matter from RTC to Justice, Mr. Nussbaum was responsible
6 from the White House and Mr. Kendall was responsible from
7 the Clinton's point of view?

8 A Yes, that's as I remember it.

9 Q Who made that determination as to
10 responsibilities?

11 A I was aware of their responsibilities, and they
12 had become involved in these activities because they
13 involved legal matters. I don't know that I specifically
14 authorized Mr. Nussbaum, but I was aware that he was
15 responsible for this, and I certainly felt that was the
16 right person in the White House to deal with these matters.

17 Q What was the basis on which you believed that
18 Mr. Nussbaum was the appropriate person in the White House
19 to deal with these matters?

20 A He's White House counsel, and they involved legal
21 matters.

22 Q Did you also know that Mr. Nussbaum was the

1 designated agency ethics officer for the White House at
2 that time?

3 A I probably was aware of that, being White House
4 counsel.

5 Q What did you understand Mr. Nussbaum's
6 involvement in these matters was to entail?

7 A General responsibility for the proper handling of
8 these matters.

9 Q As best you can explain it, what do you mean by
10 "general responsibility for the proper handling"?

11 A Well, as I understood it, these matters were
12 essentially legal in nature, and thus would require someone
13 that was a lawyer to be responsible for them, and
14 Mr. Nussbaum was the White House counsel. He and his staff
15 would be responsible for any aspects relating to these
16 matters and any matters requested from Justice or any of
17 the other general matters that would be required to be
18 addressed.

19 Q As Mr. Nussbaum was counsel to the president, how
20 did you understand an RTC referral to Justice to impact on
21 Mr. Nussbaum's responsibilities?

22 A Mr. Nussbaum was White House counsel. And

1 generally, legal matters between the White House and the
2 Justice Department are discharged, the responsibility is
3 discharged from the counsel's office. That has been the
4 normal way legal affairs are conducted in the White House.

5 Q Was this, if you know, merely a theoretical
6 responsibility, or was it a real responsibility?

7 A I viewed it as a real responsibility.

8 Q So I guess the next question is, were there
9 contacts between -- let me withdraw that question.

10 MR. TAYLOR: I was hoping you were going to get
11 to that question, Mr. Codinha.

12 MR. CODINHA: You know, I have to tell you that I
13 think it's beyond the scope of Senate Resolution 229.

14 MR. TAYLOR: I think it is, too, and I'm glad you
15 came to that conclusion before I had to say something about
16 it.

17 BY MR. CODINHA:

18 Q What responsibilities did you believe Mr. Kendall
19 had with respect to the situation?

20 MR. TAYLOR: I think that's beyond the scope,
21 too, Mr. Codinha.

22 BY MR. CODINHA:

1 Q Did you understand that Mr. Kendall was
2 representing the president personally?

3 A That was my understanding.

4 Q With respect to the RTC referral to the Justice
5 Department, do you recall any meetings which took place at
6 the White House, other than the meeting that you've
7 described that you didn't attend in this time frame,
8 November, December of 1993?

9 A I don't recall any meetings.

10 Q In late March of 1993, did you become aware that
11 Mr. Altman had faxed material to Mr. Nussbaum relating to
12 Whitewater?

13 A No, I'm not aware of that.

14 Q Did you ever discuss that with Mr. Nussbaum or
15 Mr. Altman?

16 A No, I have not with either. Let me amend an
17 earlier answer, if I may.

18 Q Please.

19 A At some point in time, I believe it was mid- to
20 late December, the information that had been provided to
21 the Justice Department and the timing of that information
22 and delivery, I believe, became a matter of some

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1 controversy. I believe my time frame is right, and I think
 2 it involved Mr. Stephanopoulos's comments on one of the
 3 Sunday talk shows, and I did attend a meeting, as I now
 4 remember it, about just simply the communications, how we
 5 were going to respond to that.

6 MR. TAYLOR: That's beyond the scope of the
 7 resolution, but that's all right. It's fine that you make
 8 the record clear.

9 THE WITNESS: All right.

10 BY MR. CODINHA:

11 Q During the fall time frame, November, December,
 12 late fall time frame, was the subject matter of Whitewater
 13 and Madison a subject that was in the newspapers?

14 A It's my recollection at some point in December,
 15 it became a matter of public record. It was in the
 16 newspaper.

17 Q Once it became a matter of public record, did you
 18 take the initiative of developing a response team?

19 A No, not at that time.

20 MR. TAYLOR: I'm going to object again. You
 21 really are beyond the scope now. This relates to
 22 communications between officials of the White House and the

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1 Department of the Treasury and the Resolution Trust
 2 Corporation. What Mr. McLarty did inside the White House
 3 and what others did inside the White House is beyond the
 4 scope of your inquiry. I don't think you ought to proceed
 5 on this line.

6 MR. CODINHA: I understand your objection,
 7 Mr. Taylor. I will tell you that if, for instance, the
 8 response team decided to take steps which resulted in
 9 contacts, they're clearly within the scope and that's what
 10 I have to examine. If Mr. McLarty's response is no, they
 11 didn't do that, then we'll leave the subject, but I need to
 12 examine how these events occurred because events don't
 13 happen in a vacuum.

14 MR. TAYLOR: But you haven't asked those
 15 questions.

16 MR. CODINHA: And I'll come to it. First I need
 17 to know whether there's a Whitewater response team.

18 BY MR. CODINHA:

19 Q At some point, did there become a Whitewater
 20 response team? Was a Whitewater response team formed?

21 MR. TAYLOR: You can answer that question.

22 THE WITNESS: Thank you. There was no Whitewater

1 response team formed until after January of this year.

2 BY MR. CODINHA:

3 Q What did you understand the Whitewater response
4 team to be?

5 MR. TAYLOR: Again, you're beyond the scope.

6 MR. CODINHA: I can't tell that until I ask the
7 question.

8 MR. TAYLOR: Why don't you ask him about the
9 communications between the White House, Treasury or RTC.

10 BY MR. CODINHA:

11 Q What did you understand the mandate of the
12 Whitewater response team to be?

13 A Basically to deal with the plethora of issues
14 that would come up, primarily on a press basis regarding
15 matters relating to Madison, and Whitewater/Guaranty
16 matters.

17 Q Who was on the Whitewater response team?

18 A Mr. Podesta was responsible for it, and he
19 essentially reported to Mr. Ickes, who joined the White
20 House as deputy chief of staff, and I asked Mr. Ickes to be
21 responsible for this matter.

22 Q Who else was on the Whitewater response team, if

1 you know?

2 A Mr. Podesta recruited several people in the White
3 House, but not on a full-time basis, to deal with these
4 activities, so it varied who participated on a daily basis.

5 Q How often did the Whitewater response team meet?

6 A Generally daily.

7 Q For how long did they meet?

8 A They still are in existence.

9 Q And for how long on each day did they meet?

10 A I don't know. I did not attend meetings.

11 Q Did you attend any of the Whitewater response
12 team meetings?

13 A Not the response team meetings, per se.

14 Q Were there other Whitewater meetings that you did
15 attend?

16 A From time to time there would be a meeting about
17 a particular communications matter or, for example, these
18 hearings, that I would be in attendance.

19 Q What was Mr. Podesta's role at the White House?

20 A Mr. Podesta is assistant to the president and
21 staff secretary and in the past handled a number of other
22 special projects, special responsibilities in the

1 activities of the White House.

2 Q Who, if anyone, assigned Mr. Podesta to be
3 responsible for the Whitewater response team?

4 A Mr. Ickes and myself asked Mr. Podesta to
5 undertake this responsibility.

6 Q What was the reason Mr. Podesta was chosen, if
7 you know?

8 A As I noted, he had undertaken several other
9 special projects, and he is a lawyer by education and is
10 experienced and knowledgeable and quite capable
11 professionally.

12 Q Was Mr. Nussbaum a member of the Whitewater
13 response team?

14 A I believe that he was. I'm not sure of all of
15 the time frames without refreshing my memory, but he would
16 have been at a certain point in time. I'm not absolutely
17 certain when we formed this team, but he would have been a
18 member of the team, yes.

19 Q Was Mr. Bruce Lindsey a member of the Whitewater
20 response team?

21 A He participated in some of the meetings. I don't
22 know that he was a formal member of Mr. Podesta's efforts.

1 Q Was Mr. Neil Eggleston a member of the Whitewater
2 response team?

3 A Again, Mr. Codinha, I'm not certain who was
4 considered a member of the group on a daily basis and who
5 was not. As I noted earlier, it was my understanding that
6 Mr. Podesta would ask certain people about certain issues,
7 depending on the particular nature of the issue.

8 Q Do you know whether Mr. Joel Klein was a member
9 of the Whitewater response team?

10 A Again, Mr. Klein participated as deputy White
11 House counsel. You're asking me to make a determination
12 that I'm not certain, frankly, of how the grouping might be
13 defined. It might be defined one way by some and another
14 way by others.

15 Q Do you know whether Mr. Gearson --

16 A Mark Gearan.

17 Q -- was a member of the Whitewater response team?

18 A Mr. Gearan is assistant to the president for
19 communications and would have been generally aware of the
20 press aspects of Whitewater, but I don't believe he
21 participated on a daily basis.

22 Q Do you know if Mr. Stephanopoulos was a member of

1 the Whitewater response team?

2 A As senior adviser to the president, he would be,
3 I feel, very much like Mr. Gearan. He would not have
4 participated on a daily basis.

5 Q Do you know whether Ms. Caputo was a member of
6 the Whitewater response team?

7 A She was involved with Mr. Podesta. Again, I do
8 not know whether she participated on a daily basis, if
9 that's the criteria of the Whitewater team. You're
10 phrasing the question and I'm not certain how to precisely
11 answer you.

12 Q Do you know if Ms. Williams was a member of the
13 Whitewater response team?

14 A Ms. Williams is chief of staff to the first lady
15 and has broad responsibilities and I don't believe
16 participated in daily meetings.

17 Q The list of individuals that I've given you,
18 Mr. Ickes, Nussbaum, Lindsey, Eggleston, Klein, Gearan,
19 Stephanopoulos, Caputo and Williams, do you believe that
20 they all participated at some time on the Whitewater
21 response team?

22 A They were aware of the Whitewater issue and had

1 some participation in some issues relating to certain
2 Whitewater matters.

3 Q Do you know whether William Kennedy participated
4 in the Whitewater response team?

5 A I don't believe Mr. Kennedy did participate.

6 Q And you've already told us what your
7 participation, if any, was in it?

8 A I was generally aware of those activities and
9 from time to time Mr. Podesta or Mr. Ickes would give me a
10 report on those activities involving certain Whitewater
11 matters.

12 Q Did you at some time in the late fall of 1993
13 just become generally aware of whether there was a
14 Department of Justice investigation going on?

15 A I think I've already testified sometime in that
16 time period, I became -- there was some type of review that
17 was going to take place regarding certain
18 Whitewater/Madison Guaranty matters, or a certain view that
19 it might take place is perhaps a bit more specific.

20 Q With respect to -- do you know who Eugene Ludwig
21 is?

22 A I am aware Mr. Ludwig is a Treasury official.

1 Q Is he comptroller of the Currency is what he's
2 been reported to be?

3 A That's right.

4 Q Over the New Year's, this most recent New Year's
5 weekend, there was something called Renaissance Weekend.
6 Are you aware of that?

7 A I am aware of Renaissance Weekend.

8 Q Did you participate over this most recent
9 Renaissance -- were you at the Renaissance festivities,
10 whatever they are?

11 A No, I was not.

12 Q It has been widely reported in the newspapers
13 that the President of the United States had a conversation
14 with Mr. Ludwig over the Renaissance Weekend. Are you
15 aware of that reportage?

16 A I have read the press account.

17 Q Were you aware of that prior to the press
18 accounts?

19 A Yes, I was.

20 Q When did you first become aware that the
21 president had talked to Mr. Ludwig?

22 A I can't recall the specific date. It was shortly

1 after the holiday recess and Mr. Joel Klein, who was deputy
2 White House counsel, related this matter to me as a matter
3 of information.

4 Q And what did Mr. Klein tell you about the
5 president's contact with Mr. Ludwig?

6 A He related that the president and Mr. Ludwig had
7 had a brief conversation about the general Whitewater
8 situation. It was his view it was not a substantive
9 conversation but one that he felt would be made public at
10 some point in time and could have certain press inquiries
11 because of it. He simply wanted me to be aware of it.

12 Q What did Mr. Klein tell you -- strike that.

13 Did Mr. Klein tell you the source of his
14 information?

15 A No, I don't believe that he did.

16 Q What, as best you can recall, did Mr. Klein tell
17 you that the president had said to Mr. Ludwig or Mr. Ludwig
18 had said to the president about Whitewater?

19 A I've already testified what Mr. Klein told me,
20 that the contact had been made and the president really had
21 a brief conversation with Mr. Ludwig, and Mr. Klein simply
22 wanted me to be aware of it, and I believe by that point in

1 time, the coverage on the White House may have been a bit
 2 later. But Mr. Klein as deputy White House counsel had
 3 become involved in the Whitewater matters, and he was
 4 simply informing me of this conversation.

5 Q You responded at the beginning of your statement
 6 that Mr. Klein had said that the information was not
 7 substantive. Upon what do you base that conclusion?

8 A That's the way Mr. Klein reported it to me.

9 Q So he said it wasn't a substantive conversation?

10 A He indicated to me it was a brief conversation
 11 between the president and Mr. Ludwig. He simply wanted to
 12 make me aware of it, and I think -- I don't recall whether
 13 he used that term, but that was the general impression that
 14 I had upon his acknowledging the conversation to me.

15 Q Did you attempt to follow up with Mr. Klein to
 16 determine what information the president had imparted to
 17 Mr. Ludwig or Mr. Ludwig had imparted to the president
 18 about Whitewater?

19 A No, I did not.

20 Q Your terminology that it wasn't substantive, you
 21 indicated you're not sure that the conversation wasn't
 22 substantive. You're not sure whether Mr. Klein used that

1 term or whether that was what it was in your head?

2 A That was my impression from Mr. Klein's
 3 conversation with me.

4 Q What do you understand a substantive conversation
 5 to be?

6 A Well, one that goes into considerable detail and
 7 has a conclusion or further steps or something of that
 8 nature, and that's not the impression that I had with
 9 Mr. Klein's report. It was a report to me this
 10 conversation had taken place, and he simply wanted me to be
 11 aware of it.

12 Q As a result of that conversation, did you do
 13 anything?

14 A Mr. Klein had the responsibility of these types
 15 of legal matters and matters relating to Whitewater in the
 16 counsel's office, and he assured me that he would follow up
 17 and be responsible for this matter, as well as many others
 18 involving the Whitewater review and so forth.

19 Q I may have misunderstood. I thought you told me
 20 earlier in the fall it was Mr. Nussbaum who had
 21 responsibility for Whitewater issues. Was I mistaken?

22 A In the fall.

1 Q Had that changed at some time?

2 A Mr. Klein, as deputy White House counsel, worked
3 for Mr. Nussbaum, and therefore was involved and integrated
4 with the counsel's office.

5 Q When did you understand Mr. Klein had become
6 involved in Whitewater issues?

7 A It would be my understanding that the legal
8 counsel's office, I think my earlier testimony perhaps
9 noted that Mr. Nussbaum and his colleagues, that there
10 would be various members on Mr. Nussbaum's staff that might
11 participate in certain matters relating to a number of
12 legal matters in the White House, including this one.

13 Q Did you give any instructions to Mr. Klein about
14 what he should do about this information involving the
15 President of the United States and Mr. Ludwig?

16 A No, I did not.

17 Q Did you task him to do anything?

18 A No, I did not.

19 Q Did you expect to receive further information
20 back from Mr. Klein about this contact?

21 A No, I did not, other than on the ongoing matters
22 that this became an issue that would be dealt with

1 properly, but no task.

2 Q Did you tell Mr. Klein that he -- strike that.
3 Did you suggest to Mr. Klein he ought to tell
4 some other people about this contact?

5 A No, I did not.

6 Q Did you believe it was important that the press
7 in the White House be aware of this contact?

8 A Again, Mr. Klein had responsibility for this and
9 I felt he would handle it in the proper way.

10 Q Did you get any further report back from
11 Mr. Klein or anyone else about this contact?

12 A No, I did not.

13 Q Did you discuss this contact with the President
14 of the United States?

15 A No, I did not.

16 Q Was there a reason you didn't discuss this
17 contact with the President of the United States?

18 A Mr. Klein was responsible for this matter. He
19 had visited with the president, and I felt that was
20 sufficient.

21 Q Had Mr. Klein visited with the president before
22 he reported the information about the contact between the

1 president and Mr. Ludwig to you?

2 A I'm not certain that he had.

3 Q Do you believe that he visited with the president
4 on this subject after he spoke with you?

5 A Mr. Codinha, I'm not sure. It was my impression
6 he had spoken with the president before he discussed it
7 with me, but I'm not certain about that.

8 Q Upon what do you base that impression that
9 Mr. Klein had spoken to the president before he spoke to
10 you?

11 A It was my impression that Mr. Klein and the
12 president had spoken at the Renaissance Weekend about this
13 matter.

14 Q Again, I ask you upon what do you base that
15 impression?

16 A That was my impression of the conversation with
17 Mr. Klein, and that was my inference. I don't recall that
18 I specifically asked that question or he specifically said
19 that. That was my impression.

20 Q Did Mr. Klein tell you that the President of the
21 United States had spoken to him about his contact with
22 Mr. Klein -- I'm sorry, about his contact with Mr. Ludwig?

1 A Mr. Codinha, I don't remember the specific point
2 that you're raising. Mr. Klein was notifying me as a
3 matter of information, and I accepted the information from
4 him and felt he was the right person or the White House
5 counsel's office was the right place and Mr. Klein was
6 certainly the responsible person in that operation to deal
7 with this matter appropriately.

8 Q When you heard -- when you first heard about this
9 contact, did it concern you?

10 A In the way that Mr. Klein described it, I felt it
11 could become an issue, but felt that nothing inappropriate
12 had taken place.

13 Q When you say "in the way that Mr. Klein described
14 it," how did Mr. Klein describe it that made you believe it
15 might become an issue?

16 A Only because of Mr. Ludwig's position, if it
17 became public, which we felt it would, that certain issues
18 could be raised, and that was how Mr. Klein reported it to
19 me.

20 Q What were the issues that were reported to you
21 that could be raised?

22 A No, just the conversation taking place between

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1 the president and Mr. Ludwig could become a matter of some
2 controversy and therefore, would be a communications matter
3 to be dealt with.

4 Q Did Mr. Klein explain to you what the issue was
5 that he saw?

6 A Only the conversation between the president and
7 the comptroller could be misinterpreted in his mind.

8 Q Did he tell you how it could be misinterpreted?

9 A It was not that kind of conversation or
10 discussion. It was acknowledgment that the conversation
11 had taken place, and he had reported it to me. And again,
12 as I testified, I felt this matter would be handled in the
13 proper way in the White House counsel's office.

14 Q When he told you that the conversation could be
15 misinterpreted, did you understand what he meant?

16 A I understood that this conversation could be
17 interpreted in a way that could potentially be an issue
18 that could be raised in the context of the Whitewater
19 matter.

20 Q And what did you -- how did you understand that
21 issue would be raised relative to the Whitewater matter?

22 A Some suggestion that the conversation should not

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1 have taken place between the president and the Comptroller
2 of the Currency about this matter.

3 Q And what did you see as the issue being?

4 A As Mr. Klein had described the conversation, I
5 only saw a potential press issue here, but not one of any
6 inappropriateness or wrongdoing. Quite the contrary.

7 Q Did Mr. Klein -- did you understand that the
8 comptroller of the Currency had something to do with
9 Whitewater at that point?

10 A I did not really develop the discussion with
11 Mr. Klein in that way and did not really go through that
12 kind of thought process.

13 Q Did Mr. Klein describe to you what his issue was
14 with the president talking to Mr. Ludwig?

15 A Only in the way that I've testified that he
16 acknowledged the conversation and it could be
17 misinterpreted and he's reporting it to me.

18 Q Did you become aware early in the new year,
19 sometime after January 1st, of a meeting of Cabinet level
20 people at the White House to deal with Whitewater? I'm
21 talking about people like Mr. Reich, Secretary Bentsen,
22 Mr. Riley, Mr. Babbitt.

1 A I don't recall that meeting.

2 Q Have you heard about such a meeting?

3 A I don't recall that I have.

4 Q If such a meeting were called of Cabinet level
5 people like Mr. Reich, Riley or Babbitt, who would have to
6 call it?

7 A Well, it could be called in a number of ways.
8 The president could call it directly. He could call the
9 Cabinet convening through my office or through the chief of
10 staff's office or through other senior advisors in the
11 White House. It could be called through the Cabinet
12 secretary who interfaces with the Cabinet. I don't recall
13 this meeting that you're speaking of.

14 MR. TAYLOR: Is this a good time for a
15 five-minute break?

16 MR. CODINHA: Sure.

17 (Recess.)

18 BY MR. CODINHA:

19 Q One of the things I'll tell you, Mr. McLarty,
20 after a break such as this, if there's anything you'd like
21 to add or expand I'll ask you. Is there anything you'd
22 like to add or expand to your answers?

1 A No, there is not.

2 Q I think when we broke, I was asking you whether
3 you knew about a meeting on or around the first of the
4 year, January 1st, 2nd, 3rd, or 4th which involved Cabinet
5 level people called together to discuss Whitewater. And I
6 believe your answer is you didn't know about that meeting?

7 A That is correct.

8 Q Do you know who Christine Varney is?

9 A Yes, I do.

10 Q And who do you believe Christine Varney to be or
11 who do you know her to be?

12 A Christine Varney is Cabinet secretary.

13 Q And what does that mean? Does she sit on the
14 Cabinet?

15 A No. She is part of the White House staff and
16 traditionally the Cabinet secretary has had the
17 responsibility of the interface between the White House and
18 the Cabinet secretaries.

19 Q What is her role or function, other than that, if
20 you know?

21 A That's a major responsibility.

22 Q Does she make any independent determinations

1 whether someone -- strike that.

2 Does she make an independent determination as to
3 whether a Cabinet secretary should attend a meeting or not
4 attend a meeting?

5 A There are occasions where she has that type of
6 judgment or prerogative.

7 Q How do they exercise that judgment or
8 prerogative?

9 A With good judgment.

10 Q What's the basis on which she makes that type of
11 judgment, if you know?

12 A Well, Mr. Codinha, I think it's really a
13 practical type of judgment, depending on the subject
14 matter. She might feel certain people should be at certain
15 meetings. In some cases, she might be directed that
16 certain people should attend a certain meeting.

17 Q If she believed independently that someone was
18 inappropriate to be at a meeting, would she -- would that
19 be within her judgment to say it's inappropriate for
20 someone to attend a meeting?

21 A It could be, in her judgment. She might, on
22 occasion, ask for confirmation of that from deputy chief of

1 staff or chief of staff.

2 Q Are you aware of any circumstances where
3 Ms. Varney has after a Cabinet level individual has been
4 requested to attend a meeting, has gone out and gone to
5 that Cabinet level official and urged them not to attend a
6 meeting?

7 MR. TAYLOR: Mr. Codinha, this is about --

8 MR. CODINHA: And I'm talking specifically about
9 Whitewater and Madison. I'm not talking just in general.

10 MR. TAYLOR: Okay.

11 THE WITNESS: I was really responding to matters
12 in general in my earlier answers.

13 MR. TAYLOR: That's fair, but I was asking him to
14 narrow this question to the subject matter of the hearings.

15 BY MR. CODINHA:

16 Q Are you aware of a situation where Ms. Varney
17 urged a Cabinet level official not to attend a Whitewater
18 meeting?

19 A No, I'm not aware of that.

20 Q Would that be unusual for Ms. Varney to take that
21 step?

22 A There could be occasions where she felt a certain

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1 person should not attend a meeting. I don't know about in
2 regard to Whitewater.

3 Q Would she have to check that decision with anyone
4 else if she made that independent determination?

5 A She may or may not.

6 Q I can't tell from your description whether
7 Ms. Varney is a senior level person or junior level
8 person.

9 A She is a senior level person in my view and I
10 think others' views.

11 Q How long has she held the position of executive
12 secretary, as far as you know?

13 A As Cabinet secretary?

14 Q I'm sorry, as Cabinet secretary.

15 A Since the beginning of President Clinton's term
16 in January.

17 Q Have you heard before today that Ms. Varney --
18 strike that.

19 Have you heard before today that Secretary
20 Bentsen was asked to attend a meeting at the White House to
21 speak with the president about Whitewater together with
22 Mr. Reich, Riley and Babbitt? Have you heard that?

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1 A No, I don't recall that I have heard that before
2 today.

3 Q Have you heard that Ms. Varney -- have you heard
4 before today that Ms. Varney rushed over to Mr. Bentsen and
5 urged him not to do so, to have this meeting because the
6 RTC reports through Mr. Altman to him, Mr. Bentsen?

7 A No, I've not heard that.

8 Q Would that be the type of conduct Ms. Varney
9 could exercise in her own judgment?

10 MR. TAYLOR: If she did.

11 MR. CODINHA: I'm making a good faith
12 representation we have this information.

13 MR. TAYLOR: You're making a good faith
14 representation that somebody wrote it down. The second
15 part of that I assume you will explore with other
16 witnesses.

17 THE WITNESS: Mr. Codinha, I just simply don't
18 know about this specific situation.

19 BY MR. CODINHA:

20 Q Are you aware that sometime after -- strike
21 that.

22 Are you aware that sometime early in January, in

1 the first four or five days of January that Secretary
2 Bentsen met with Mr. Stephanopoulos on the subject of
3 Whitewater?

4 A No, I don't believe I'm aware of that meeting.

5 Q Have you heard about that before today?

6 (Witness conferred with counsel.)

7 MR. TAYLOR: I assume you are asking him whether
8 he has learned of that independent of any conversations he
9 may have had with his personal counsel.

10 MR. CODINHA: Meaning you.

11 MR. TAYLOR: That's right.

12 BY MR. CODINHA:

13 Q Yes. Have you heard of that independent of any
14 conversation you've had with your counsel?

15 A No, I have not.

16 MR. TAYLOR: For the record, I'm assuming that
17 all your questions include that assumption.

18 MR. CODINHA: Independent of conversations he had
19 with counsel.

20 BY MR. CODINHA:

21 Q If Mr. Bentsen went to see Mr. Stephanopoulos on
22 Whitewater in the first week or so of this year, is that

1 the kind of information that you would know?

2 A There are a number of meetings that take place.
3 Mr. Codinha, I may or may not know about. I'm not aware of
4 this particular meeting.

5 Q Is that the kind of information which would be
6 discussed by the Whitewater response team?

7 A I don't believe that would necessarily be the
8 kind of information that would be discussed by the
9 Whitewater response team. Generally, that response team,
10 as I understand it, deals with more matters that are in the
11 press and how to respond to those and matters of that type.
12 more fact gathering-type information.

13 Q As best you can recall, when was the Whitewater
14 response team put together?

15 A Sometime after the first of the year, probably
16 mid- to late January.

17 Q Was it before or after -- strike that.

18 Did you become aware at some time that the Office
19 of Independent Counsel, the special counsel -- I hesitate,
20 I was almost going to say special prosecutor -- but the
21 special counsel came into being?

22 A Repeat your question.

1 Q Strike that. Did you become aware at some point
2 that the White House was seeking the Office of Independent
3 Counsel to look at these matters?

4 A I think --

5 MR. TAYLOR: I think there's a problem in the
6 phrasing of the questions.

7 THE WITNESS: There's confusion in the terms
8 here.

9 BY MR. CODINHA:

10 Q Did you become aware at some time of the
11 existence of the Office of Independent Counsel for the
12 subject matter of Senate Resolution 229?

13 A Yes, and "independent counsel," if I may ask, is
14 that synonymous in the vocabulary with "special counsel"?
15 Is that Mr. Fiske?

16 Q That's who I mean by that.

17 A Fine. I just simply always refer to Mr. Fiske as
18 special counsel, and I just simply would clarify.

19 Q When did you first hear about Special Counsel
20 Fiske?

21 A I believe when he was announced.

22 Q Was that on or around January 20th of 1994, if

1 you recall?

2 A That's how my memory serves me.

3 Q When in terms of the announcement of Mr. Fiske as
4 the special counsel was the Whitewater response team
5 formed, if that helps you to fix it in terms of a date?

6 A Mr. Codinha, I don't recall the exact date. The
7 Whitewater -- matters relating to Whitewater had been dealt
8 with prior to that by the counsel's office, and as I've
9 already testified, Mr. Ickes had been involved in those
10 matters after the first of the year. Mr. Podesta became
11 involved somewhere in mid- to late January, early
12 February. I simply don't recall the date, and I don't
13 recall whether it was before or after the special counsel
14 announcement.

15 Q Was it your understanding that the Office of
16 Independent Counsel was to look into Whitewater matters?

17 A That was my general understanding.

18 Q Did you understand that the White House was
19 trying to influence the scope of what the independent
20 counsel would look into?

21 A I was not involved in a way that got into
22 specific issues of that type so the answer is no, I was not

1 aware of that.

2 Q Was it reported to you, or did you hear that the
3 White House was trying to negotiate the scope of the
4 independent counsel with the Attorney General Reno?

5 A I was generally aware there would be certain
6 legal matters that would be discussed or resolved, but I'm
7 not aware of the specifics of those matters and how they
8 were pursued and those discussions. I was simply not a
9 part of that.

10 Q Did you become aware or were you told that the
11 White House was trying to negotiate the scope of the
12 independent counsel with Attorney General Reno and having
13 enormous difficulty in doing so?

14 A No. I've already testified that I was generally
15 aware there were certain legal matters, but I was not
16 involved in discussions, so I can't speak in an informed
17 way and respond to your question.

18 Q When was the first time you became aware that
19 meetings had occurred between officials of the Treasury
20 Department and officials of the White House dealing with
21 the subject matter of Whitewater or Madison?

22 A I don't recall the specific date. It was

1 sometime, I believe, mid- to late February.

2 Q What was the source of your information, if you
3 know?

4 A Mr. Codinha, I think it was from public sources
5 or perhaps I learned about it the day before it was
6 publicly reported. I don't recall the specifics.

7 Q What do you recall you learned?

8 A At some point in time, I believe, through the
9 public press, it was reported there had been certain
10 meetings that had taken place, I believe, in 1993 that I
11 had not been aware of between White House officials and
12 certain Treasury officials.

13 Q Were there any other meetings that you became
14 aware of before that?

15 A No, there were not.

16 Q Did you become aware of a meeting that occurred
17 on or about February 2nd, 1994 between Mr. Altman,
18 Ms. Hanson and members of the White House?

19 A I was aware of that meeting.

20 Q When did you become aware of that meeting?

21 A Sometime prior to the February 2nd date.

22 Q Did you understand that Mr. Altman and Ms. Hanson

1 were members of the Treasury?

2 A I was not aware that Ms. Hanson was going to be
3 in attendance at that meeting. I was aware that Mr. Altman
4 had requested a meeting on February 2nd to meet with the
5 White House to provide --

6 MR. TAYLOR: He's just asked you a limited
7 question.

8 THE WITNESS: Fine.

9 BY MR. CODINHA:

10 Q So you were aware of the February 2nd meeting
11 sometime before it occurred?

12 A Yes.

13 Q How long before the meeting occurred did you
14 become aware of it?

15 A I do not recall. A day or two before perhaps.

16 Q How did you become aware that the meeting was to
17 occur?

18 A Mr. Codinha, I don't recall whether Mr. Altman
19 called me or my office and requested the meeting or
20 arranged a meeting through Mr. Ickes who was responsible
21 for this matter who informed me of the meeting. At any
22 rate, I was aware of the February 2nd meeting.

1 Q You were aware of it before it occurred?

2 A Yes.

3 Q Did you request of the person who told you about
4 the meeting what the meeting was to be about?

5 A It was my understanding that the meeting was
6 going to be an informational meeting, and Mr. Altman was
7 going to provide the White House with information that he
8 had provided other public officials, including members of
9 Congress. It was an informational meeting. That was my
10 understanding.

11 Q When did you first hear that it was to be an
12 informational meeting in which Mr. Altman was going to
13 discuss public information or discuss information he had
14 given on other public officials, such as members of
15 Congress?

16 A I don't recall when I heard it. I honestly do
17 not recall whether Mr. Altman called me or my office or
18 whether he called Mr. Ickes and Mr. Ickes arranged the
19 meeting, and that's how I received the information
20 regarding the meeting.

21 Q You indicated that he may have called Mr. Ickes
22 because Mr. Ickes was the person responsible for that

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1 matter. When you indicate responsible for that matter, are
2 you referring to Whitewater?

3 A I am.

4 Q Why would Mr. Altman -- if you know, why would
5 Mr. Altman call you about having an informational meeting
6 about what he had already told other public officials?

7 A Cabinet secretaries or deputy secretaries arrange
8 many meetings through the chief of staff's office,
9 sometimes directly with me, sometimes through my office and
10 thus, it would have been normal for Mr. Altman to call me
11 about a particular meeting, and he may well have done so.
12 I don't recall that he did.

13 Q Who determines from the White House standpoint
14 who will attend such a meeting such as this that's being
15 called by the deputy secretary of the Treasury?

16 A It depends on the person that is involved with a
17 particular matter. They might suggest those in attendance
18 or the person requesting the meeting may have suggestions.
19 It just really depends on the circumstance.

20 Q Before the meeting occurred, what was the
21 totality of what you knew was to be the subject matter of
22 the meeting?

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1 A I have already related to you the totality of
2 what I recall about this meeting. It was to be an
3 informational meeting about certain matters regarding
4 Madison Guaranty and Whitewater and the information to be
5 provided had already been provided to certain other
6 officials, including members of Congress.

7 Q Did you understand that the meeting was going to
8 discuss the issue of Mr. Altman's recusal or potential
9 recusal from the Madison case?

10 A No, I did not.

11 Q Did anyone mention that to you before the
12 meeting?

13 A No, they did not.

14 Q If you had known this was going to be a subject
15 of the meeting, would that have concerned you?

16 A I can't really respond to that because it was not
17 known.

18 Q Did you attend that meeting that took place on
19 February 2nd?

20 A No, I did not.

21 Q Our information that has been developed in the
22 course of our information indicates that it took place in

1 your office. Do you believe that's correct?

2 A I believe it is correct.

3 Q Were you at your office at any time during the
4 day when that meeting was occurring?

5 A No, not to my memory. No, I was not in my office
6 during the time the meeting was taking place.

7 Q Was there a reason that you can now recall why
8 you didn't attend that meeting -- strike that.

9 Let me ask you, were you intending to attend that
10 meeting?

11 A If my schedule permitted, I probably would have
12 attended the meeting.

13 Q And what was the reason that you would have
14 attended the meeting?

15 A Mr. Ickes, who set up the meeting in the White
16 House, had arranged the manifest and had informed me of the
17 meeting and asked me to be available for the meeting.

18 Q You used a term that I'm unfamiliar with.
19 "Arrange the manifest"?

20 A Mr. Ickes had set the meeting up in the White
21 House and had suggested that certain people attend this
22 meeting that had been involved in the Whitewater/Madison

1 matter.

2 Q Did Mr. Ickes tell you who he wanted to attend
3 the meeting?

4 A He may have told me or my secretary.

5 Q And who did you understand Mr. Ickes was
6 requesting to attend the meeting?

7 A As I recall it, it was Mr. Nussbaum, who's White
8 House counsel, Mr. Ickes himself, Ms. Williams, chief of
9 staff to the first lady. It was my understanding that
10 Mr. Altman would be attending, and there may have been
11 others. I don't recall.

12 Q And what role was Mr. Nussbaum to play at the
13 meeting, if you know?

14 A I don't know.

15 Q What role was Mr. Ickes to play at the meeting,
16 if you know?

17 A Again, Mr. Ickes was the person responsible for
18 dealing with the Whitewater matters and therefore, he would
19 have been logically involved in that way in the meeting.

20 Q What role was Ms. Williams to play, the chief of
21 staff to the first lady to play at that meeting?

22 A Certain matters relating to Whitewater related to

1 Mrs. Clinton and Ms. Williams was there in that regard, as
2 I understand it. Mr. Ickes suggested the participants.

3 Q Did you have any conversation with Mr. Ickes
4 about the appropriateness of anyone attending this
5 particular meeting?

6 A No, I don't recall that I did.

7 Q What role were you to play at the meeting that
8 Mr. Ickes was suggesting -- let me withdraw that. It's so
9 awkward, even I can't stand it.

10 You indicated to Mr. Ickes what role you were to
11 be playing?

12 A I'm trying to be responsive in terms of your term
13 "role." I don't know that anyone had a particular role in
14 this meeting. It was an informational meeting and that's
15 why I felt Mr. Ickes had invited me to receive the
16 information about this matter that had been provided to us.

17 Q Chief of staff at the White House, if what I read
18 in the papers is true, is a very important position. Did
19 it make sense to you that as chief of staff of the White
20 House, you were going to be attending a meeting at which
21 procedural aspects of Madison and Whitewater were going to
22 be discussed?

1 MR. TAYLOR: Mr. Codinha, that's the first time
2 anybody has said procedural aspects of Whitewater ought to
3 be discussed.

4 MR. CODINHA: I'm sorry. I apologize.

5 MR. TAYLOR: Public information is what
6 Mr. McLarty has said.

7 MR. CODINHA: And thank you very much for
8 correcting that.

9 MR. TAYLOR: You're most welcome.

10 BY MR. CODINHA:

11 Q If this was to be a discussion about public
12 information about Whitewater and Madison that had already
13 been given to other public officials, what did they need
14 the chief of staff to the White House there for?

15 A I don't know. Part you've already suggested, the
16 responsibilities of chief of staff was to keep as informed
17 as one can with a number of issues and therefore, you're
18 asked to attend a number of meetings for informational
19 purposes. Some you can attend. Some you can't and some
20 you can attend part of the meeting but can't stay for its
21 duration.

22 Q Did Mr. Ickes suggest to you in requesting you to

1 be at the meeting that this was going to be an important
2 meeting?

3 A I don't recall that we had a discussion about the
4 importance of the meeting.

5 Q Did you believe the fact that Mr. Ickes asked you
6 to attend the meeting, did that suggest to you that at
7 least he believed it was going to be an important meeting?

8 A Not necessarily in that way.

9 Q Who did you understand did attend that meeting
10 from the White House?

11 A I've already responded to your question, as I
12 remember it.

13 Q Mr. Nussbaum, Mr. Ickes and Ms. Williams?

14 A And Mr. Altman.

15 Q I said from the White House.

16 A From the White House, I'm sorry.

17 Q And you understood Mr. Altman attended it and
18 Ms. Hanson attended it?

19 MR. TAYLOR: This is after the fact now?

20 MR. CODINHA: Yes.

21 MR. TAYLOR: You're now switching to after the
22 fact.

1 MR. CODINHA: After the fact. He is not at the
2 meeting. He knew who was originally to go.

3 BY MR. CODINHA:

4 Q Did you later come to understand that Mr. Altman
5 attended the meeting?

6 A Yes.

7 Q Did you understand that Ms. Hanson attended the
8 meeting?

9 A After the fact, that was my understanding.

10 Q How did you find that out?

11 A I think through public accounts.

12 Q I'm sorry?

13 A I believe through public accounts of Ms. Hanson's
14 attendance.

15 Q When did you first learn who all the attendees
16 were at the meeting?

17 A I don't recall when I concluded who all the
18 attendees were.

19 Q Did you have any discussion with anyone from the
20 White House after the meeting about what was discussed?

21 A I don't recall that I did.

22 Q Did you receive a copy of the talking points that

1 were used by Mr. Altman at the meeting?

2 A No, I don't believe that I did.

3 Q Did you receive an outline that had been used by
4 Mr. Altman at the meeting?

5 A No, I don't believe I received that.

6 Q Did you learn at some time after the meeting that
7 the subject of Mr. Altman's recusal was discussed?

8 A I believe when Mr. Altman called me after the
9 meeting and I returned his call two or three days after his
10 initial call, that was my impression. I don't know about
11 the meeting. My impression was recusal was an issue with
12 Mr. Altman.

13 Q Between the time the meeting occurred and your
14 telephone call with Mr. Altman, the conversation you
15 actually had with Mr. Altman, did you discuss the subject
16 matter of the meeting of what had taken place at the
17 meeting with anyone at the White House?

18 A I don't recall that I did.

19 Q Did you discuss the subject matter of what had
20 taken place at the meeting with anyone from the Treasury
21 Department?

22 A No, I did not.

1 Q Did you attempt to discuss the subject matter of
2 what had taken place at the meeting with anyone from the
3 White House?

4 A No, I did not.

5 Q Did you hear discussed at any of the Whitewater
6 response team meetings that may have occurred after the
7 meeting the subject matter of what had been discussed at
8 the meeting?

9 A No, I did not.

10 Q You indicated that sometime after the meeting had
11 occurred, you had occasion to receive a telephone call from
12 Mr. Altman?

13 A That's correct.

14 Q And when did that occur?

15 A I don't recall the specific date. It was after
16 the February 2nd meeting.

17 Q Can you help us at all in terms of how long after
18 the meeting, a day, two days?

19 A Probably a couple days, but I don't recall the
20 specific time frame.

21 Q Did you know Mr. Altman prior to January of 1994?

22 A I was acquainted with Mr. Altman prior to that.

1 Q How long had you known him?

2 A Two or three years.

3 Q Were you friends?

4 A I had high regard for him but only knew him on an
5 acquaintance basis.

6 Q Had you socialized with Mr. Altman outside of the
7 work context?

8 A No, I had not.

9 Q Did he regularly -- strike that.

10 From January of 1993 until the time you received
11 this telephone call, had Mr. Altman had occasion to call
12 you?

13 A Would you repeat the question, please.

14 Q Between January 20, 1993 and the time of this
15 telephone call which you indicated happened sometime in
16 February 1994, had Mr. Altman had occasion to call you
17 prior to that?

18 A Yes, he had.

19 Q And was that routine, or was it unusual for
20 Mr. Altman to call?

21 A It was on a routine or normal course of business
22 basis.

1 Q Approximately how many times had you talked to
2 him prior to the February call, if you can recall?

3 A A number of times, particularly during the
4 economic plan discussion where he played an active role in
5 the passage of that plan.

6 Q You indicated Mr. Altman called you and then you
7 called him back. Is that the sequence of events?

8 A That's as I remember it, yes.

9 Q When he called you, were you told the subject
10 matter upon which he wished to speak to you?

11 A I don't recall that I was.

12 Q At some point you called him back?

13 A Yes, I did.

14 Q And when was that in terms of receiving his call?

15 A It was within several days. I don't remember the
16 exact time period.

17 Q Where were you when you called him back?

18 A I believe I was at home because I believe I
19 returned his call over the weekend.

20 Q Was he at work or at home when you called?

21 A I don't know.

22 Q Did you have his home number to reach him?

1 A I don't believe I did. I placed the call through
2 the White House operator.

3 Q What was the conversation you had with Mr. Altman
4 during this telephone call? What did you say to him, and
5 what did he say to you, as best you can recall?

6 A It was a brief conversation. He related that he
7 was weighing the recusal issue regarding the RTC Madison
8 matter. I responded that I understood his dilemma and was
9 empathetic with his situation and urged him to make a
10 decision or suggested to him that he make the decision that
11 he felt was the right one.

12 Q Was that the entire telephone call of the
13 conversation?

14 A That was it. It lasted less than five minutes.

15 Q Do you recall what he said to you other than he
16 was considering the recusal issue?

17 A No. I've testified as to how I remember the
18 telephone call.

19 Q When Mr. Altman said I'm considering the recusal
20 issue or words to that effect, did you know what he was
21 talking about?

22 A I was generally aware of what he was discussing.

1 yes.

2 Q What did you understand he was discussing?

3 A Whether or not he would maintain responsibility
4 for the RTC activities as he currently had as deputy
5 secretary of the Treasury. I believe that was going to
6 expire in the relative near term and whether his staying in
7 that position would create any perception, any perception
8 problem of a Clinton appointee maintaining responsibility
9 for the RTC activities with the matter that might involve
10 the president or first lady.

11 Q Prior to this telephone conversation with
12 Mr. Altman, had you -- strike that.

13 Prior to this telephone conversation with
14 Mr. Altman, what was the basis of your knowledge about the
15 recusal issue?

16 A I may have been cursorily aware of it, but I
17 don't recall that I was.

18 Q When you say "cursorily aware of it," what does
19 that mean to you?

20 A I just simply -- I don't recall on the recusal
21 matter, I don't believe I was aware of that until
22 Mr. Altman placed a phone call to me. I just simply don't

1 recall.

2 Q If you weren't aware of it before Mr. Altman
3 placed the phone call to you, what was it that Mr. Altman
4 said to you that made you understand that this was a
5 dilemma for him?

6 A He discussed his dilemma of whether or not he
7 should continue to serve in his capacity of being
8 responsible for the RTC.

9 Q Did he call it a dilemma?

10 A I don't recall that he used that word. That was
11 my feeling of his description of the matter.

12 Q What further did he say that the issue -- if you
13 can recall, what further did he say was the issue that was
14 before him that was causing this dilemma?

15 A I've already testified whether it would be a
16 perception issue of a Clinton appointee being responsible
17 for the RTC. That was his -- that's what he was trying to
18 weigh, whether or not he should recuse, and I've responded
19 as I've already testified.

20 Q Did you understand he was the interim CEO of the
21 RTC?

22 A Yes, I did.

1 Q And you understood he was also deputy secretary
2 of the Treasury at the same time?

3 A I did understand that, yes.

4 Q And the fact of whether he could continue being
5 the interim CEO of the RTC in general wasn't a dilemma for
6 him, was it?

7 A I don't know that that fine point or that
8 distinction was clear to me, and I'm not sure that was
9 developed in our brief conversation.

10 Q Did he tell you the dilemma that he was having
11 related to the fact that he might have to make decisions
12 relating to Madison or to Whitewater which would affect the
13 Clintons?

14 A That was my general understanding in the
15 conversation.

16 Q Did he say that or words to that effect?

17 A I have already testified what I remember about
18 the conversation.

19 Q If you can recall, was it he who said words to
20 the effect that it might give the perception of
21 impropriety, or was it you who raised that issue?

22 MR. TAYLOR: Mr. Codinha, again I object as to

1 form. You were the first person who's used the word
2 "impropriety." That is not a word that Mr. McLarty used,
3 and it's important that we be fair and accurate.

4 MR. CODINHA: Again, I believe he used the term,
5 but the record will be there. The record will speak, but
6 when we read it, I thought I heard "impropriety" and I may
7 be adding, but let me rephrase the question.

8 BY MR. CODINHA:

9 Q Who was it? Was it you or was it Mr. Altman who
10 raised the issue that there might be a perception of a
11 problem with a Clinton appointee acting on this case?

12 A As I remember it, Mr. Altman raised the issue
13 that there might be a perception issue that he might not be
14 objective in this matter. I think he raised it, as I
15 remember the conversation.

16 Q When he said he might not be objective, did you
17 ask him or did you follow up on --

18 A No, he might be viewed as not objective.

19 Q He might be viewed as not objective. Did you
20 follow up with Mr. Altman how that perception would develop
21 or who would have that perception?

22 A No, it was not that kind of conversation.

1 Q Did Mr. Altman -- strike that.

2 Did Mr. Altman inform you at that time that he
3 had already received opinions from other people as to
4 whether he should recuse himself or not?

5 A I don't recall his informing me of that.

6 Q Do you recall whether he informed you that
7 Secretary Bentsen had already opined that he should recuse
8 himself?

9 A No, I don't recall his discussing that with me.

10 Q Do you recall whether Mr. Altman in this
11 conversation told you that Jean Hanson, the general counsel
12 of the Treasury, had already opined that he should recuse
13 himself?

14 A No, I don't recall that he mentioned Ms. Hanson
15 in our conversation.

16 Q Do you recall whether Mr. Altman in his
17 conversation told you that the general counsel from the RTC
18 had already opined that he should recuse himself?

19 A He simply didn't get into that kind of discussion
20 or detail, as I remember it.

21 Q What did you understand -- I understand you
22 placed this call to Mr. Altman, but you were only returning

1 his call.

2 A That's correct.

3 Q What did you understand Mr. Altman's purpose was
4 in making this call to you as you could divine through what
5 he said?

6 A I felt he was simply acknowledging to me what he
7 said this was an issue, a dilemma with him and he was
8 trying to reach what he believed to be the right judgment
9 about this matter and he simply wanted me to be aware that
10 he was attempting to reach that judgment, and I again
11 responded as I've already testified.

12 Q Did he ask you your opinion on this subject?

13 A I don't recall that he specifically asked me my
14 opinion. I think my response to his comments was as I
15 already testified, that I understood his dilemma and how he
16 was weighing these matters, and he should make the decision
17 he felt was the right one.

18 Q Did you give him any -- in other words, if I
19 understand correctly, you were pushing it back on
20 Mr. Altman and saying make your own decision?

21 A I was sympathetic and understanding of his
22 weighing these matters and I expressed that to him and

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1 encouraged him to make the decision he felt was the right
2 one.

3 Q Did Mr. Altman, during this conversation with
4 you, indicate that he was receiving intense pressure from
5 the White House to stay on and not recuse himself?

6 A No, he did not.

7 Q Were you aware of any intense pressure being put
8 on Mr. Altman from the White House that he should stay on
9 and not recuse himself?

10 A No, I wasn't.

11 Q Did Mr. Altman in this conversation with you
12 discuss that he had already put in place a method by which
13 he would not have to be the person who made the decisions
14 with respect to the Clintons?

15 A I don't recall that he discussed any matter of
16 that type during this telephone conversation.

17 Q Did you know whether that was, in fact, the case,
18 that he put such a procedure in place?

19 A No, I don't recall that I did.

20 Q Prior to this early February telephone call, had
21 you discussed with Mr. Nussbaum Mr. Nussbaum's wishes that
22 Mr. Altman stay on as -- strike that -- not recuse himself?

1 A No, I did not.

2 Q Had you discussed, prior to this telephone
3 conversation with Mr. Altman, had you discussed Mr. Ickes's
4 position that Mr. Altman not recuse himself?

5 A No, I had not.

6 Q Prior to this telephone call, had you had any
7 discussions with Mr. Nussbaum in which he had told you of
8 his concern about the new RTC general counsel, Ms. Kulka?

9 A No, I don't recall his mentioning anything about
10 anything in that position to me.

11 Q Do you recall prior to this telephone call
12 whether Mr. Nussbaum told you that he believed Mr. Altman
13 was needed to impose discipline on the process as it
14 related to the Clintons?

15 A No, I don't recall his making a statement like
16 that.

17 Q After this telephone call that you had with
18 Mr. Altman, did you discuss the Altman recusal with anyone?

19 A No, I don't believe I did.

20 Q Did you discuss it with the President of the
21 United States?

22 A No, I did not.

1 Q Was there a reason you didn't discuss it?

2 A I didn't feel any discussion was warranted.

3 Q At some point, did you become aware of whether
4 Mr. Altman did or did not recuse himself from the Madison
5 case?

6 A At some point, yes, I did become aware.

7 Q When did you become aware of that?

8 A I believe either the day of or the day it became
9 public knowledge.

10 Q I believe that was on or about February 25th, the
11 day after Mr. Altman's hearing testimony. Does that
12 comport with your memory?

13 A I believe that's correct.

14 Q And what was the source of your information --
15 strike that.

16 Do you recall whether Mr. Altman had decided to
17 recuse himself or not recuse himself at that time?

18 A It was my understanding at some point around that
19 date, Mr. Altman had made a decision to recuse himself.

20 Q And what was the source of that information, if
21 you can recall?

22 A I do not recall who told me that. I recall being

1 aware of it either when it became public information or
2 shortly before.

3 Q Did you have any conversations with anyone at the
4 White House about Mr. Altman's decision to recuse himself?

5 A No, no conversations or discussions. I may have
6 learned that he had decided to recuse himself the day he
7 made that decision or the day before it became public
8 knowledge. I just simply don't remember when I learned it.

9 Q Were you present at any meetings in the White
10 House where the subject of Mr. Altman's recusal were
11 discussed?

12 A No, I was not.

13 Q Did you become aware before Mr. Altman's
14 testimony before the Senate Banking Committee that he was
15 going to testify?

16 A Yes, I was aware he was going to testify.

17 Q And what was the source of that information?

18 A I normally get Cabinet reports. At that time, I
19 received Cabinet reports and was aware of his testimony
20 from Cabinet report and I believe it came up at one of our
21 daily management meetings because his testimony would
22 probably create some press accounts and we generally talk

1 about how we would respond to certain matters that come up
2 on a daily basis in the press.

3 Q Was this a daily meeting -- you called it some
4 kind of management meeting.

5 A It's normally with senior officials in the White
6 House, 12 to 15 people where you discuss generally the
7 day's activities and how you're going to deal with the
8 various decisions and matters on a particular day.

9 Q Is that called a daily management meeting?

10 A That's a term, yes, that can be used and has been
11 used.

12 Q Was the daily management meeting that you're
13 referring to held before Mr. Altman's testimony occurred?

14 A I don't recall whether it was the day before or
15 the day of.

16 Q And you indicated that it was the belief of you
17 or someone else at that daily management meeting that
18 Mr. Altman's testimony might cause some press inquiry?

19 A Yes, I believe that issue was raised.

20 Q And was it your opinion that Mr. Altman's
21 testimony was going to cause some press inquiry, or was it
22 somebody else's opinion?

1 A As I remember, it was raised by someone else,
2 probably Mr. Gearan, who is over in communications.

3 Q Do you recall any discussion about what it was
4 about Mr. Altman's testimony that was believed was going to
5 cause press inquiry?

6 A I don't recall any specific discussion. I think
7 it was a matter of the Whitewater issue might be raised,
8 and that would be subject to some press accounts.

9 Q On or about February 18th of '94, do you recall
10 getting a memorandum from Lloyd Bentsen dealing with RTC's
11 handling of the Madison Guaranty?

12 A I don't recall a specific memorandum.

13 Q It would have been the weekly report for the week
14 of February 20, 1994.

15 A Mr. Codinha, I may have received it.

16 MR. TAYLOR: Why don't you show it to him.

17 BY MR. CODINHA:

18 Q I'm showing you C0051. For the record we're not
19 marking documents individually. We're using the numbers
20 that are on there?

21 A This is Secretary Bentsen's report now that
22 you've shown it to me, the weekly report, and it does note

1 RTC's handling of the Madison Guaranty as well as the G-7
2 finance ministers' meeting in France.

3 Q The bullet says "RTC's Handling of Madison
4 Guaranty." Let me tell you, because we haven't dealt with
5 this before, one of the difficulties we have in taking
6 depositions, we're only allowed to have a limited number of
7 copies in order to control information and make sure there
8 are no leaks. I can't make extra copies for you so I
9 apologize that we have to use this awkward method.

10 The first paragraph indicates that "Republican
11 members have pointed out that the annual hearing did not
12 occur last year and have been pressing to hold it as soon
13 as possible in order to use it as a forum to publicize
14 their allegations on Whitewater and Madison Guaranty."
15 Would you just check and make sure I've read that
16 correctly?

17 A Yes, I believe you have.

18 Q Was that the information that you may have been
19 referring to that you believe might have caused the
20 awareness that there would be press coverage on this?

21 A It could have either come from this report or a
22 full Cabinet summary that I received, which could have well

1 encapsulated similar language.

2 Q Did you become aware that before Mr. -- strike
3 that.

4 Did you become aware Mr. Altman was going to
5 testify at these hearings?

6 A I believe I was aware Mr. Altman was going to be
7 the person testifying at these hearings.

8 Q Did you become aware that before Mr. Altman's
9 testimony, the White House had received copies of the Q and
10 As that had been prepared for Mr. Altman?

11 A I don't believe I was aware of that.

12 Q Is that common practice at the White House to
13 receive copies of Q and As of people like deputy secretary
14 to the Treasury for review prior to their hearings?

15 A I don't know.

16 Q Did you see Mr. Altman testify?

17 A No, I did not.

18 Q Did you read a copy of the transcript of
19 Mr. Altman's testimony?

20 A I don't believe I read a copy of the transcript,
21 no.

22 Q Did you discuss Mr. Altman's testimony after he

1 testified, if you recall?

2 A I don't recall that I did.

3 Q Did you become aware that sometime after
4 Mr. Altman's testimony was concluded after the 24th, he was
5 going to seek to expand his testimony?

6 MR. TAYLOR: You mean before he did?

7 MR. CODINHA: Yes.

8 THE WITNESS: I may have been aware of that
9 shortly before he did. I don't recall the specifics of it.

10 BY MR. CODINHA:

11 Q What was the source of your information that
12 Mr. Altman intended to expand his testimony?

13 A Mr. Codinha, I don't remember how I learned of
14 that.

15 Q What would be the reason you would learn of that,
16 if you know?

17 A As a general informational purpose, if something
18 like that was going to occur, many times I would be aware
19 of it through the general information flow in the White
20 House.

21 Q Did you review -- strike that.

22 Did you become aware that Mr. Altman expanded his

1 testimony by a letter?

2 A I'm aware Mr. Altman wrote, I believe, more than
3 one letter to Senator Riegle.

4 Q Are you aware that he expanded his testimony in a
5 series of letters from Mr. Altman to Senator Riegle?

6 A Yes, I am.

7 Q Did you review those letters before they were
8 sent?

9 A I don't recall that I did, no.

10 Q Did you review those letters after they were
11 sent?

12 A I was aware of the letters after they were sent,
13 yes, I had seen them.

14 Q And how were you aware of them after they were
15 sent? You said you've seen them. How did it come about
16 you saw them?

17 A It was reported to me they were sent. I don't
18 recall how that report was written.

19 Q Copies of Mr. Altman's letter of March 2nd were
20 apparently found in your files, and you're listed as a cc
21 recipient on that. Do you know a reason why you would be
22 listed as a cc recipient on a copy of Mr. Altman's letter?

1 A I'm a cc recipient on a lot of information,
2 Mr. Codinha.

3 Q Did you specifically request a copy of that
4 letter?

5 A No, I don't recall that I did.

6 MR. TAYLOR: Isn't it the March 3rd letter the
7 one in which he's cc'd?

8 MR. CODINHA: You're absolutely right. I had the
9 date wrong. I apologize.

10 THE WITNESS: Without seeing the letters, it is
11 somewhat difficult to respond.

12 BY MR. CODINHA:

13 Q Let me show you X000873 and X000872, which is the
14 letter of March 3rd. Have you had an opportunity to review
15 it?

16 A I have.

17 Q Have you seen that letter -- strike that.

18 Did you see Exhibit 872 and 873 at or about the
19 time they were created?

20 A I don't recall that I did, given the level of
21 correspondence that I received. But it is likely that I
22 did since I'm on the distribution list.

1 Q The fax cover sheet which indicates on X000873,
2 indicates it's from Mr. Altman, and it's to distribution.
3 And on that list, are all the people on the distribution
4 list White House people?

5 A They are.

6 Q What is the purpose in there being a list of
7 Dee Dee Myers, Mark Gearan, David Gergen, George
8 Stephanopoulos, Harold Ickes and Mack McLarty, if you know?

9 MR. TAYLOR: You're asking him does he know what
10 Mr. Altman's purpose was?

11 MR. CODINHA: No, strike that.

12 BY MR. CODINHA:

13 Q How was that list developed, if you know, as you
14 look at the list there Myers, Gergen, Gearan,
15 Stephanopoulos, Ickes and McLarty, is there any commonality
16 to them besides they're all White House employees?

17 A The first four people generally deal in
18 communications. Ms. Myers is press secretary, as you
19 probably know. Mr. Gearan, I've testified, is assistant to
20 the president for communications, and Mr. Gergen and
21 Mr. Stephanopoulos both participate in White House
22 communications and it's only speculation that Mr. Ickes was

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1 responsible for White House --

2 MR. TAYLOR: Don't speculate. Let's do this.

3 THE WITNESS: He asked me to be responsive and I
4 was trying to be, but I appreciate my counsel's comments.

5 BY MR. CODINHA:

6 Q Why do you believe Mr. Ickes was on this list?

7 A He was deputy chief of staff and I don't know.

8 Q Do you believe he was on this list because it
9 dealt with Whitewater or Madison?

10 A It could be either. You asked me to speculate
11 and I simply don't know how the list was made.

12 Q Do you know why you appeared on that list?

13 A I think I've already been responsive to that
14 question.

15 Q You were just cc'd on a lot of things?

16 A Yes.

17 MR. TAYLOR: No, that's not fair. He doesn't
18 know why Mr. Altman created if the list if Mr. Altman
19 created the list and as a matter of fact, he is cc'd on a
20 lot of correspondence.

21 BY MR. CODINHA:

22 Q When did you begin receiving material, such as

1 this from Mr. Altman, if you recall?

2 A I don't recall.

3 Q Was it before --

4 MR. TAYLOR: Objection. Mr. Codinha, when you
5 insert a word such as "such as this," you insert a word
6 that is subject to enormous objection --

7 MR. CODINHA: I'll withdraw it.

8 BY MR. CODINHA:

9 Q Were there other occasions in which you received
10 letters from Mr. Altman that were to distribution prior to
11 receiving X000872 and 873 that dealt with an expansion of
12 testimony before a Congressional committee by Mr. Altman?

13 A Mr. Codinha, I simply don't remember whether I
14 received that kind of correspondence from Mr. Altman. I
15 don't believe that I did, but I just simply don't recall
16 specific documents in the way you're phrasing the
17 question.

18 Q When you received this document, if you know,
19 what did you do with it?

20 A Assuming I received it, I reviewed it and read
21 it, I would think.

22 Q Can one assume that he received it by the fact

1 that it was found in your files?

2 A Yes, I think that's a fair assumption.

3 Q If you reviewed it and read it, what was your
4 purpose in reviewing it and reading it?

5 A First, for informational purposes. Mr. Altman
6 had expanded his testimony, and I don't think it suggested
7 any follow-up action. There's no direction there or
8 question to my office or anyone in the office, I believe.

9 Q Did you become aware of any other letters
10 Mr. Altman had sent in order to expand the record?

11 A As I recall, there were several letters or more
12 than one written to Senator Riegle about Mr. Altman's
13 testimony.

14 Q Did you review those letters, if you can recall?

15 A I believe I was aware of them.

16 Q Did you review them before they were sent, if you
17 can recall?

18 A I don't believe they were sent -- to the best of
19 my knowledge, they were not sent to me before they were
20 sent to Senator Riegle. They were sent to me after. That
21 was my understanding.

22 Q Did you have discussions with anyone at the White

1 House about the series of letters that Mr. Altman sent to
2 expand the record?

3 A I don't recall those discussions.

4 Q Was it anyone at the White House's responsibility
5 to determine whether the letters were accurate that
6 Mr. Altman was sending to expand the record?

7 A I don't recall any discussion of the accuracy of
8 the letters.

9 Q Did you understand by the time the first letter
10 was sent, March 3rd, that an issue had arisen about
11 contacts between the RTC -- strike that -- either the
12 Treasury, RTC and the White House?

13 MR. TAYLOR: Mr. Codinha, I don't want to
14 interfere, but the first letter was sent out March the 2nd.

15 MR. CODINHA: I'm sorry. I apologize for that.
16 We're obviously moving with two dates.

17 BY MR. CODINHA:

18 Q By the time the first letter was sent on March
19 2nd, had you become aware that an issue had arisen as to
20 contacts that were taking place between the RTC, Treasury
21 and the White House?

22 A Would you repeat your question, please.

1 MR. CODINHA: Would you read that back, please.
2 (The reporter read the record as requested.)

3 THE WITNESS: When I received the letter, which I
4 believe was after Senator Riegle received it, I was aware
5 that Mr. Altman had expanded his testimony and that certain
6 issues might arise out of his expanding the testimony. I
7 think that was how I reacted to it, as I remember reading
8 it.

9 BY MR. CODINHA:

10 Q Did you refer this as an action item to anyone in
11 the White House to determine what the actual facts were?

12 A I believe at the same time I was receiving this
13 information as noted by the exhibits or letters that you've
14 shown me, others in the White House were also receiving it
15 who were directly involved in this matter regarding
16 Mr. Altman's testimony.

17 Q Of the list of individuals who received it, had
18 Dee Dee Myers been directly involved in Mr. Altman's
19 testimony, to your knowledge?

20 A You mean prior to his testimony?

21 Q Yes.

22 A No.

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1 MR. TAYLOR: Again, Mr. Codinha, you're
2 misstating the record. You said involved in his
3 testimony. And you know that's not what Mr. McLarty said.
4 He said involved in this matter. And when you include a
5 premise like that in the question and ask him to accept it,
6 you're creating a misleading record and I know you don't
7 want to do that.

8 MR. CODINHA: I have no intention of doing that,
9 and I will adopt your point.

10 BY MR. CODINHA:

11 Q What involvement had Dee Dee Myers had with
12 Mr. Altman relating to this matter before he expanded the
13 record, if you know?

14 A As I already testified, Ms. Myers and I were
15 involved in communications in the White House as well as
16 Mr. Gergen and Mr. Stephanopoulos and I've already
17 testified Mr. Ickes was serving and continues to serve as
18 deputy chief of staff and had responsibility for the
19 matters relating to Whitewater.

20 Q Besides Mr. Ickes who you've already told us who
21 you believe was in attendance at a meeting with Mr. Altman,
22 had any of the other listed people, Myers, Gearan, Gergen,

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1 Stephanopoulos or yourself had direct -- and I'll accept
2 yourself because you've said what direct contact you had.
3 Let me withdraw the question.

4 Had Myers, Gearan, Gergen or Stephanopoulos had
5 direct contact with Mr. Altman, as far as you know, before
6 he decided to expand the record on this subject?

7 A I don't know.

8 Q When Mr. Altman decided to recuse himself, did
9 you become aware through some communication that Mr. Altman
10 had recused himself?

11 A I don't recall, as I've testified earlier, how I
12 became aware of Mr. Altman's decision --

13 Q I may have asked a question that was too broad.

14 A -- to recuse himself.

15 Q Did you become aware of some correspondence that
16 Mr. Altman sent in which he advised someone that he was
17 recusing himself?

18 A I don't recall seeing any correspondence that
19 Mr. Altman sent prior to his recusal about his decision.

20 Q If I said prior to his recusal, I didn't mean to
21 indicate prior to his recusal. At some point, did you see
22 correspondence that dealt with the subject matter of

1 Mr. Altman's recusal?

2 A Yes, I did.

3 Q When was that?

4 A It was sometime after his decision to recuse
5 himself.

6 Q How long after that, if you know?

7 A I don't recall. It was several days after his
8 decision.

9 Q And who was the correspondence sent to, if you
10 know?

11 A As I remember it, it was a personal letter that
12 Mr. Altman had sent to the president, and I believe the
13 president sent that letter to me for my information.

14 Q For your --

15 A Information.

16 Q And by the time you received that letter from the
17 president, do you believe you already knew that Mr. Altman
18 had recused himself?

19 A Yes, I believe I did know.

20 Q And I'm looking at a document which is 2 -- I
21 can't read the first numbers -- I assume it's 2992 and
22 2993, although the first numbers are whited out, cut off.

1 When you received the letter, did you receive it
2 directly from the president or indirectly from the
3 president?

4 A I believe it was just the normal paper flow from
5 the president's office to the chief of staff's office,
6 which occurs on a routine basis, as you would expect.

7 Q When you received the letter, what did you do
8 with it?

9 A I read it and penned a short note back to
10 Mr. Altman.

11 Q Is that your short note at the top of the page
12 showing you the document, the numbers of which I've already
13 read?

14 A It is.

15 Q Would you read, for the record, what you penned.

16 A Yes. "Roger, you're truly one of our country's
17 finest. Mack."

18 Q When you received that document, did it already
19 have the markings on the top right-hand side, which I can't
20 read, but possibly you can?

21 A Yes. I think it has "Mack/Harold" and it had
22 those on the letter.

1 Q It was already on there when you got the letter?

2 A Yes, I believe so.

3 Q Are you Mack?

4 A Yes, I am.

5 MR. TAYLOR: Come on.

6 BY MR. CODINHA:

7 Q Who's Harold?

8 A I think that refers to Mr. Ickes.

9 Q Who penned on that "Mack" and "Harold"?

10 A I believe that's the president's writing.

11 Q With respect to the letter -- you say -- did you
12 read it? You said you read it when you received it?

13 A Yes, I perused it.

14 Q The third paragraph reads "relative to recusal,
15 it had been under consideration for several weeks.

16 Secretary Bentsen, Treasury general counsel and the RTC
17 counsel had under it in the strongest terms."

18 When you read that, did you know before you read
19 that in the letter that Secretary Bentsen had urged recusal
20 in the strongest terms?

21 A No, I did not, and Mr. Codinha, the way I read
22 the letter -- and I did peruse it -- is that Mr. Altman was

1 explaining to the president his reasoning of a difficult
2 decision. That's how I perused the letter and that's the
3 reason I wrote him the note back, that I knew it had been a
4 difficult decision and that's what my note back is to be,
5 and it's generally standard practice of mine to try and
6 acknowledge receipt of a letter.

7 Q In his letter in the fourth paragraph, it says --
8 I'm reading in the middle -- "and my instructions to RTC
9 staff" -- let me begin again. It says "nevertheless, I
10 thought it superfluous and had declined to take that step.
11 My appointment was scheduled to expire on March 30th, and
12 my instructions to RTC staff had been to handle this matter
13 in identical fashion to any other case. This was to ensure
14 an impartial process."

15 When you read that, had you previously known that
16 those had been Mr. Altman's instructions?

17 A No, I did not.

18 Q Your message at the top of the page, what did you
19 mean by that?

20 A Mr. Codinha, the way I really perused this letter
21 was not on the specific facts or Mr. Altman's reasoning of
22 specific matters. I felt it was a genuine letter sent by

1 him to the president outlining how he had reached a
2 difficult decision and I simply acknowledged that to him.

3 Q Did you have any discussions with Mr. Altman
4 after your receipt of the letter from the president?

5 A No, I did not.

6 Q At some time in February of 19 -- strike that.

7 In February of 1994, did you know who Jay
8 Stephens was?

9 A I was aware of who Mr. Stephens was prior to
10 that.

11 Q Who did you understand him to be?

12 A I think he was an attorney here in Washington and
13 at one time had served in an appointed position, I believe,
14 in the Bush Administration.

15 Q Did you understand him to have been the former
16 United States attorney in the District of Columbia?

17 A I was aware of that, yes.

18 Q And at some time during February 1994, did you
19 become aware that Mr. Stephens or Mr. Stephens's law firm
20 had been retained by the RTC?

21 A At some point I became aware of it.

22 Q What was the source of that information?

1 A It was either through -- I believe it was through
2 public accounts.

3 Q When do you believe you found that out?

4 A I don't recall.

5 Q Do you recall whether it was before or after
6 February 25th?

7 A I honestly do not remember the date that I
8 learned of that.

9 Q Did you understand, when you heard about it, that
10 Mr. Stephens had been an outspoken critic of the Clinton
11 Administration?

12 A I was aware that he had been from time to time
13 critical of the Clinton Administration. I do not know
14 Mr. Stephens.

15 Q Did you understand that Mr. Stephens or
16 Mr. Stephens's law firm had been retained by the RTC to
17 investigate the Madison case?

18 A I understood they had been retained to be
19 involved in the Madison case, yes.

20 Q What was the source of your information for that,
21 if you recall?

22 A I believe it was through press accounts.

1 Q When you heard about that, what, if anything, did
2 you do?

3 A I did not do anything.

4 Q Did you tell the president?

5 A No, I did not.

6 Q Did you talk to any other member of the White
7 House staff or government official about that matter?

8 A No, I did not.

9 Q Did you become aware that on February 25th
10 Mr. Stephanopoulos called Josh Steiner at the Treasury
11 about the subject matter of Mr. Stephens?

12 A Did I become aware before the call or after the
13 call? I'm not sure your question is clear.

14 Q Well, let me ask you, did you ever become aware
15 of that call?

16 A I was aware of the call after -- the information
17 after the call.

18 Q Did you learn when the call was made?

19 A I was not aware of the call until after it was
20 made.

21 Q My question is, I'm telling you we have developed
22 information that the call was made on February 25th. How

1 soon after February 25th did you learn, if you know?

2 A I don't remember. It was sometime after that
3 date, and I don't remember when and how I learned of it.

4 Q My next question was going to be what was the
5 source of your information that that call was made?

6 A I honestly don't remember how I learned of the
7 call.

8 Q Did you learn what the substance of the call had
9 been?

10 A No.

11 Q Did you learn at any time that Mr. Stephanopoulos
12 had reported that the president was furious about the
13 recusal of Mr. Altman?

14 A I think through public accounts that was
15 reported.

16 Q Did you ever have any discussion with
17 Mr. Stephanopoulos about whether he had told Mr. Steiner
18 that the president was furious about the recusal of
19 Mr. Altman?

20 A No, I did not have any discussion outlining or
21 discussing that particular phrase or part of his
22 conversation.

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1 Q Did you learn at some time that the substance of
2 the conversation was that Mr. Stephanopoulos had called
3 Mr. Steiner to see whether something could be done about
4 Mr. Stephens's hiring by the RTC?

5 A I'm not certain what was discussed in that
6 telephone call, and I'm not sure that that was discussed in
7 that way.

8 Q Did you learn at some time that the substance of
9 that call was that Mr. Stephanopoulos had requested whether
10 Mr. Stephens could be fired?

11 A I'm just simply not aware of the details of that
12 telephone call between Mr. Stephanopoulos and Mr. Steiner.
13 I did become aware of the call after it was made.

14 Q Did you become aware that the substance of that
15 call was that Mr. Steiner talked to Mr. Stephanopoulos out
16 of attempting to fire or have Mr. Stephens fired, telling
17 him that it would be incredibly stupid to do?

18 A Mr. Codinha, that's your description of the
19 telephone call and discussion. I'm aware
20 Mr. Stephanopoulos called Mr. Steiner and discussed the
21 matter of Jay Stephens's appointment in the RTC matter.

22 Q Did you have any conversation with

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1 Mr. Stephanopoulos about this call after it occurred?

2 A At some point, I believe Mr. Stephanopoulos
3 notified me of the call or at least I learned of it and it
4 was going to become a matter of some reporting in the
5 press. That was the context of my learning about it.
6 That's as I recall how the information came to me and how
7 it was described to me.

8 Q What did Mr. Stephanopoulos -- where were you
9 when you learned about the telephone call from
10 Mr. Stephanopoulos?

11 A I do not -- well, Mr. Codinha, first I don't
12 recall where I was and second, I believe my earlier
13 testimony suggested, I believe Mr. Stephanopoulos relayed
14 the information to me, but I think I suggested also it
15 could have come from other people in the White House. I
16 just simply don't remember the specifics of how I learned
17 of the information about the call or of the call after it
18 was made.

19 Q When you heard about the call, either from
20 Mr. Stephanopoulos or from someone in the White House, what
21 did you hear about?

22 A I've already testified I heard that a call had

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1 been made, that it could become a matter of press accounts
2 and that's how the information came to me.

3 Q The sterility of your testimony, what was the
4 substance you were told was included in the call?

5 MR. TAYLOR: Do you mean does he know what
6 Mr. Stephanopoulos said to --

7 MR. CODINHA: No. I want to know if he was told
8 what was said in the call, either from Mr. Stephanopoulos
9 or whatever source you got it. What were you told that was
10 said.

11 THE WITNESS: I was simply told, as I recall it,
12 Mr. Codinha, that Mr. Stephanopoulos and Mr. Steiner had
13 talked. I believe I was told Mr. Stephanopoulos had called
14 Mr. Steiner about the Jay Stephens matter.
15 Mr. Stephanopoulos, as has been reported, I felt was --
16 felt this appointment was not a fair one. He expressed
17 those views to Mr. Steiner, and that's what I was told and
18 the essence of the message that I received was that this
19 could well become a press matter and we needed to deal with
20 it. That's where my focus was in terms of this information
21 being conveyed to me.

22 BY MR. CODINHA:

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1 Q Did you talk directly to Mr. Stephanopoulos about
2 that telephone call?

3 A I --

4 Q I didn't mean to cut you off.

5 A No, go ahead and ask me.

6 Q I understand you don't know whether you got the
7 information initially from Mr. Stephanopoulos or another
8 source, but my question to you is a separate one.

9 Did you ever talk directly with
10 Mr. Stephanopoulos about the telephone call?

11 A Yes, I did.

12 Q When did that occur?

13 A It was sometime after the call. I don't recall
14 the exact time frame of when Mr. Stephanopoulos and I have
15 discussed his call to Mr. Steiner.

16 Q Who was present during that conversation?

17 A I don't recall the exact discussion. I simply
18 don't recall whether other people were present or not.
19 Obviously, Mr. Stephanopoulos and I were present.

20 Q What was your purpose in talking to
21 Mr. Stephanopoulos about the telephone call?

22 A I can't recall whether Mr. Stephanopoulos

1 reported the call to me -- I think that's how I remember
2 this conversation or whether I had approached him. It was
3 to discuss the matter with him, why the call was made. He
4 responded, as I've already testified, and again, my
5 emphasis at that point, it was also what was going to occur
6 after the call from the press standpoint. That was the
7 essence of the conversation.

8 Q Did you want to know what was said in that
9 telephone call when you had this meeting?

10 A Mr. Stephanopoulos related to me that he felt in
11 retrospect, he felt he wished he had not made the call. He
12 was upset about this appointment, that he blue off steam or
13 vented his feelings to Mr. Steiner. That was how he
14 related the conversation to me.

15 Q Were you trying to get the facts from
16 Mr. Stephanopoulos for what he had actually said in the
17 call when you talked to him?

18 A To some extent, and then I asked, I believe,
19 Mr. Cutler or Mr. Nussbaum -- I don't remember the time
20 frame here. At a later time I did ask Mr. Cutler to review
21 this matter from the counsel's office. The conversation
22 we're speaking of -- again, we talked about the public

1 aspect of this call and that's when Mr. Stephanopoulos he,
2 in retrospect, wished he had not made the call.

3 Q As best you can recall, what were the exact words
4 that were said by you to Mr. Stephanopoulos and
5 Mr. Stephanopoulos to you?

6 A Mr. Codinha, I have really related the
7 conversation as I remember it.

8 Q Did you ask Mr. Stephanopoulos then or at any
9 time whether he had ever asked Mr. Steiner whether
10 Mr. Stephens could be gotten rid of?

11 A I don't recall my asking a specific question of
12 that nature. That was not my impression of the type of
13 call or what Mr. Stephanopoulos said, as I've already
14 testified.

15 Q Have you ever asked Mr. Stephanopoulos at that
16 conversation or at any time whether he had asked
17 Mr. Steiner whether Mr. Stephanopoulos would be fired --
18 I'm sorry, whether Mr. Stephens would be fired?

19 A No, I don't recall asking Mr. Stephanopoulos that
20 question.

21 Q Was it your impression that that was something
22 that was discussed between Mr. Stephanopoulos and

1 Mr. Steiner by his responses to you?

2 A No, that was not my impression.

3 Q At the time you had the conversation you've just
4 described with Mr. Stephanopoulos, had you read the press
5 reports which indicated that such a phone call had
6 occurred?

7 A I don't recall whether my conversation with
8 Mr. Stephanopoulos was before -- shortly before or shortly
9 after the press accounts. I don't recall the sequence of
10 that.

11 Q If the conversation you had had with
12 Mr. Stephanopoulos occurred before the press accounts,
13 which reported that Mr. Stephanopoulos had asked
14 Mr. Steiner whether Mr. Stephens could be fired, would you
15 have had another conversation with Stephanopoulos to pursue
16 that question?

17 A Mr. Codinha, I just simply don't remember the
18 sequence of discussions with Mr. Stephanopoulos and the
19 time frame or benchmark of the press account or not. I
20 simply don't remember that distinction.

21 MR. TAYLOR: Let's take a second.

22 (Recess.)

1 MR. CODINHA: Would you read back the last
2 question and answer.

3 (The reporter read the record as requested.)

4 BY MR. CODINHA:

5 Q If you learned from Mr. Stephanopoulos or from
6 another reliable source that Mr. Stephanopoulos had called
7 Mr. Steiner and requested that Mr. Steiner be -- strike
8 that.

9 If you had learned from Mr. Stephanopoulos that
10 he had called Mr. Steiner or you learned from another
11 reliable source that Mr. Stephanopoulos had called
12 Mr. Steiner and asked whether Mr. Steiner could get rid of
13 Mr. Stephens or have him fired, would that have concerned
14 you?

15 A It might have concerned me. The way I dealt with
16 the matter at that point was to refer it to Mr. Cutler for
17 him to review it. I felt that was the proper course after
18 my visit with Mr. Stephanopoulos.

19 Q Did you become aware that on February 25th there
20 was a second call made to Mr. Steiner after the first call
21 from Mr. Stephanopoulos -- let me withdraw the question.
22 My associate has pointed out that I have again confused the

1 facts.

2 Did you become aware of a second telephone call
3 that was made on February 25th from Mr. Stephanopoulos to
4 the Treasury Department?

5 A I'm not sure I was aware of any series of calls.
6 I was aware that Mr. Stephanopoulos had called Mr. Steiner
7 about that time.

8 Q Did you become aware on February 25th that
9 Mr. Stephanopoulos and Mr. Ickes together called
10 Mr. Altman?

11 MR. TAYLOR: Your question is unclear as to
12 whether you want to ask -- want him to tell you whether he
13 learned about that on February 25th or whether he learned
14 that on the 25th to call this meeting.

15 MR. CODINHA: Let me rephrase it.

16 BY MR. CODINHA:

17 Q Did you ever become aware that a call was made on
18 February 25th from Mr. Stephanopoulos and Mr. Ickes to
19 Mr. Altman?

20 A As I remember it, I was aware that
21 Mr. Stephanopoulos called Mr. Steiner, and I believe I had
22 become aware that Mr. Ickes and Mr. Stephanopoulos called

1 Mr. Altman well after the 25th date.

2 Q When did you learn about the second call we're
3 discussing, and I don't know which came first?

4 A I think it was through public information at some
5 point in time. I don't recall how that information was
6 transmitted to me. I'm generally aware of the call you're
7 speaking of.

8 Q Did you have any discussion with
9 Mr. Stephanopoulos about the second call that was made?
10 A I don't recall that I had a discussion with him
11 about the second call in a specific way.

12 Q Do you recall you had a conversation with
13 Mr. Ickes about the second call that was made?

14 A I don't recall a discussion with Mr. Ickes about
15 the call you're referring to.

16 Q Did you later learn after the calls were made
17 what the subject matter of the calls was to Mr. Altman?

18 A No, I don't recall the subject matter. Again, as
19 I remember the calls you're referring to, I referred that
20 matter to Mr. Cutler, who was then White House counsel,
21 when I learned of this information or learned of the calls
22 you're referring to.

1 Q How soon after the call from Mr. Stephanopoulos
2 and Mr. Ickes did you learn about them, if you recall?

3 A Mr. Codinha, I don't recall.

4 Q Did you become aware of what the substance of
5 that call was?

6 A I think I've already testified I don't recall
7 that I became aware or am aware of the subject.

8 Q Sometime in March of 1994, did you become aware
9 that Secretary Bentsen put out a press release with respect
10 to what Mr. Altman's testimony before the Banking Committee
11 and his expanded testimony was?

12 A I'm generally aware of some communications from
13 the secretary's office about this matter. Without seeing
14 the specific press release, I'm not certain I can respond
15 specifically.

16 Q Let me show you X000903. Do you recognize that?

17 A I recall this memorandum.

18 Q When was the first time you recall seeing the
19 memorandum?

20 A I don't recall the specific day. I think it was
21 on or about the March 3rd date, but I don't recall when it
22 first reached my mail, reached my desk.

1 Q And there is a written notation on the bottom of
2 the X000903 which appears to read "Mack -- per Joel 'this
3 will cover us so we don't have to do anything further,'"
4 and the initial P. Have you ever seen that notation before
5 today?

6 A Yes, I have.

7 Q Did you see it at or about the time you first saw
8 X000903?

9 A I believe that I did.

10 Q Who is P, if you know?

11 A I think it is Patty McHugh, my secretary.

12 Q Patty McHugh?

13 A Yes.

14 Q When it says "Mack -- per Joel," who is the Joel?

15 A I believe it refers to Joel Klein, who was deputy
16 White House counsel, I believe, in this time period.

17 Q And the words in quotes "this will cover us so we
18 don't have to do anything further." Did you understand
19 that when you read that what that meant?

20 A I don't recall the specific matter. As I
21 remember it, Mr. Klein had discussed with me a certain
22 communication he thought would be proper perhaps from the

1 chief of staff's office, and as I remember this, when
 2 Secretary Bentsen released this statement, Patty, after
 3 conferring with Joel or Mr. Klein, felt this was adequate
 4 to cover the matter, and whatever communicate we were
 5 thinking about developing was no longer necessary or
 6 needed. That's how I remember it. I don't remember the
 7 specific communicate, but it was in that general context, as
 8 I recall it.

9 Q Did you read the statement, the four or five
 10 lines at or about the time they were created on March 3rd?

11 A Yes, I believe I did.

12 Q Did you believe that they were accurate at the
 13 time you read them?

14 A Yes.

15 Q Do you believe they're accurate today?

16 A Yes, I do.

17 Q I'd like to show you a document X000901 and 902.
 18 Do you recognize the handwriting on the two-page document?

19 A No, I'm not certain I do recognize his
 20 handwriting.

21 Q Is there anything in the writing that you can
 22 read that leads you to believe what it refers to?

1 A Mr. Codinha, from these notes, I'm simply not
 2 sure I can really reconstruct what the subject matter is.

3 MR. CODINHA: Thank you, sir. At this time I
 4 have no further questions.

5 You may inquire of the witness.

6 (Discussion off the record.)

7 EXAMINATION

8 BY MR. CHERTOFF:

9 Q Mr. McLarty, are you ready to proceed?

10 A Yes, I am.

11 Q I am, just to remind you, Michael Chertoff. I'm
 12 the special counsel on the Republican side. Seated next to
 13 me is Mr. Natter, who is also on the minority side of the
 14 Banking Committee. Let me direct your attention to some
 15 questions that were asked of you at the beginning of your
 16 deposition regarding prior interviews or testimony you've
 17 given in this matter.

18 Is it correct that you gave a sworn deposition to
 19 the special counsel?

20 A Yes.

21 Q Was the subject matter of that deposition -- did
 22 that subject matter include questions concerning possible

1 contacts between Treasury and the White House?

2 A Yes, I believe it did -- it did not? Sorry. I
3 apologize. I do not make that kind of distinction between
4 the interviews and the deposition. I'm sorry I gave you an
5 incorrect answer.

6 Q Without telling us what you said, did the subject
7 of the deposition concern the issue of Mr. Foster's death
8 and the circumstances leading up to it?

9 A Yes, it did.

10 Q Did the deposition also concern questions about
11 the handling of the investigation after Mr. Foster's death?

12 A I believe it did, yes.

13 Q How was Mr. Nussbaum -- how did he come to be
14 appointed as White House counsel?

15 A The president had known Mr. Nussbaum for a number
16 of years, as I understood it, and suggested to me that he
17 felt Mr. Nussbaum would be taken for White House counsel or
18 should be at least considered for that and I interviewed
19 Mr. Nussbaum and felt that he would be able and capable White
20 House counsel and the president and I asked him to serve in
21 that capacity and he agreed to do so.

22 Q Did you understand Mr. Nussbaum to have a

1 long-standing personal relationship with the president?

2 A I understood he and the president had known each
3 other for some number of years. I don't know that I felt
4 it was a long-standing relationship, but they were
5 certainly acquainted with each other.

6 Q What about his relationship with the first lady?

7 A I think he had known Hillary longer and had a
8 relationship with her for a number of years.

9 Q In your opinion, was his relationship closer with
10 Mrs. Clinton than it was with the president prior to his
11 appointment?

12 A I felt both Hillary and the president-elect at
13 that time held Mr. Nussbaum in high regard.

14 Q Did Mrs. Clinton recommend Mr. Nussbaum to play a
15 role in the decisionmaking process about his selection?

16 MR. TAYLOR: Mr. McLarty, I'm going to instruct
17 you that that question and others which may fall beyond the
18 scope of the committee's inquiry -- and I don't believe
19 that they're proper, Mr. Chertoff, and I'm going to object
20 and follow the procedure that Mr. Codinha identified
21 earlier. We're not going to have a probe of the way in
22 which Mr. Nussbaum was selected or his relationship with

1 various professionals.

2 BY MR. CHERTOFF:

3 Q What was your understanding of the role of the
4 White House counsel in the White House in terms of his
5 duties and responsibilities?

6 A To be the chief legal officer for the White
7 House.

8 Q Did you understand the counsel to the president
9 to have responsibilities in terms of representation of the
10 president or the first lady in personal matters?

11 A No. I viewed the White House counsel, from my
12 perspective, as a corporate general counsel in that way and
13 normally a corporate general counsel would not represent an
14 officer to the company in a personal way.

15 Q Did you have discussions with Mr. Nussbaum,
16 either before he was appointed or after concerning your
17 understanding of what his role as White House counsel would
18 be?

19 A We had a general discussion before his decision
20 to join the White House staff.

21 Q In that decision, did you convey to him your
22 opinion, as you've just expressed it about what his proper

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1 role was in terms of any personal issues that may arise for
2 the Clintons?

3 A I don't recall personal issues coming up in our
4 discussion. It was a broader discussion about the
5 responsibilities, about how he would approach his
6 responsibilities and his background and so forth. It was
7 that kind of a discussion. I don't recall the specific
8 matter like the one you're suggesting being discussed.

9 Q Did you use the analogy of a corporate general
10 counsel in describing to him, what you envisioned his role
11 to be?

12 A I believe that I did.

13 Q In June or July of 1993, do you recall the White
14 House counsel's office working on the issue of questions
15 that had arisen concerning the Rose Law Firm's
16 representation of the FDIC and the lawsuit against Madison?

17 MR. TAYLOR: Objection on scope.

18 MR. CHERTOFF: Mr. Taylor, I will briefly explain
19 to you since the scope of this involves contacts between,
20 among others, individuals in the White House counsel's
21 office and individuals in Treasury and at the RTC, a
22 knowledge of the subject matter in which the White House

1 counsel is working on is relevant to this inquiry.

2 I can also tell you since one of the things we
3 are considering in this hearing is the issue of the
4 circumstances surrounding Mr. Foster's death, since
5 Mr. Fiske, among other things, considered Mr. Foster's
6 state of awareness or state of knowledge or state of focus
7 on the issue of Whitewater-related matters in the period
8 before he took his life, I think under both headings, it's
9 relevant.

10 MR. TAYLOR: You're considering the park service
11 investigation into the death of Vincent Foster, and that
12 doesn't sound to me like an investigation of what's going
13 on in the office of White House counsel before he died.
14 I'm going to object as to scope.

15 MR. CHERTOFF: Mr. Codinha, do you have a view as
16 to whether this is within the scope.

17 MR. CODINHA: Could I have the question read
18 back, please.

19 (The reporter read the record as requested.)

20 MR. CODINHA: I think the way that's phrased,
21 I'll object to scope, whether they're working on it. If
22 there were any contacts, I won't object to it.

1 MR. CHERTOFF: All right. We'll note that
2 there's an objection and we'll move on from there.

3 BY MR. CHERTOFF:

4 Q You testified on your direct examination or
5 examination by Mr. Codinha that in approximately November
6 or December 1993, you were in the residence of the White
7 House meeting with the president and left when a second
8 meeting was about to begin concerning Whitewater. Let me
9 direct your attention to that occasion. Was the meeting in
10 the residence occurring on the weekend?

11 A I believe that it was, Mr. Chertoff. I don't
12 recall the exact day or date.

13 Q Do you recall who was present when you were
14 meeting with the president during this occasion?

15 A No, I honestly do not. I don't recall the
16 subject matter of the meeting or who was present.

17 Q Was Mr. Lindsey in the meeting with you at that
18 point?

19 A I don't believe that he was.

20 Q Before your meeting ended and the next meeting
21 began, did Mr. Lindsey enter the room?

22 A Mr. Chertoff, I don't recall specifically. But

1 as I remember it, the meeting that I was in with the
2 president, it could have just been the two of us meeting on
3 the matter. I just simply don't remember the specifics. I
4 was leaving, and I believe Mr. Lindsey and Mr. Kendall were
5 entering the room as I remember it.

6 Q Now, was your meeting with the president a
7 scheduled meeting?

8 A I believe that it was.

9 Q And was it the practice at that time in the White
10 House to prepare a piece of paper that listed the
11 president's schedule in terms of business meetings?

12 A Generally, it would be. On the weekends it might
13 not have been prepared. When you say schedule, the
14 president was aware the meeting would take place sometime
15 before it, but that would not necessarily mean anything.

16 Q Do you know if Mr. Lindsey and Mr. Kendall's
17 meeting with the president was a scheduled meeting?

18 A I do not know.

19 Q How were you told that the meeting with
20 Mr. Lindsey and Mr. Kendall was about Whitewater?

21 A I think it was literally transmitted in the few
22 moments that we shook hands and I was leaving the room.

1 Q As you left the room, you left Mr. Kendall
2 Mr. Lindsey and the president alone?

3 A That's as I remember it.

4 Q Do you recall anybody else, as you were leaving,
5 entering to participate in the meeting?

6 A No. I believe my earlier testimony suggested
7 that the first lady may have come into the room or was
8 there. I just simply don't recall how it was -- how
9 everyone convened.

10 Q Is there some reason you didn't stay around for
11 the meeting?

12 A No. At that point, I was not involved in this
13 particular matter, and it was a meeting of the president
14 and Mrs. Clinton with their personal attorney, and I
15 simply -- I had concluded my business for that time period.

16 Q Mr. Lindsey, however, was on the White House
17 staff at the time that meeting occurred; correct?

18 A He was and is.

19 Q And you understood as such, Mr. Lindsey could not
20 be acting as the president's personal attorney; correct?

21 A I don't know that I made that determination -- I
22 don't know that I made that determination.

1 Q Were there other occasions in which Mr. Lindsey
2 met with the president or Mrs. Clinton regarding Whitewater
3 to your knowledge?

4 MR. TAYLOR: Object as to scope.

5 MR. CHERTOFF: I think it follows from the
6 conversation we're talking about, but if you need me to
7 make it more clear, Mr. Lindsey was involved in at least
8 one White House contact with Treasury.

9 MR. TAYLOR: Then you can ask about that. I
10 don't understand the White House to have waived privilege
11 as to anything other than the subject matter of these
12 hearings.

13 MR. CHERTOFF: I understand that we're limited in
14 the subject matter, and you will understand, based on your
15 experience, that no one is going to conduct an examination
16 regarding the subject matter asking only what do you know
17 about the specific contacts. If your position is that
18 you're going to assert privilege with respect to questions
19 that surround these contacts that involve individuals who
20 were engaged in the contacts and involve the subject matter
21 of the contacts, you should state so now.

22 MR. TAYLOR: It's not my privilege to invoke

1 either. It is the White House's privilege, and we are
2 instructed by White House counsel the privilege has been
3 waived as to the subject matter to the hearings set forth
4 in the resolution. I grant you some preliminary inquiry is
5 appropriate, and Mr. Codinha has done a good job in going
6 over all the ground that seems to be plowed and your
7 questioning about Mr. Lindsey's discussions with someone in
8 the White House does not seem to be remotely related to a
9 contact.

10 You want to tell me what the question is again?

11 MR. CHERTOFF: Let's have the question read
12 back.

13 (The reporter read the record as requested.)

14 MR. TAYLOR: All right. I'll let you answer that
15 question. It's a yes or no.

16 THE WITNESS: I'm not aware of other meetings
17 with Mr. Lindsey at this time.

18 BY MR. CHERTOFF:

19 Q Did you have an arrangement or an understanding
20 that Mr. Lindsey would be the person in the White House
21 staff dealing with Whitewater matters and you would not
22 deal with those matters in the latter part of 1993?

1 A No, that was not my understanding.

2 Q There was no formal division of responsibility?

3 A That is correct.

4 Q In practice, did you in the latter part of 1993
5 tend not to get involved in Whitewater matters?

6 A In that time period, that is correct.

7 Q Did you speak to anybody about the meeting on
8 that particular occasion that you had observed about to
9 begin after the meeting was over?

10 A I don't recall that I spoke to anyone about it,
11 about that meeting.

12 Q Now, you also testified earlier to Mr. Codinha
13 that your understanding was that again, in the latter part
14 of 1993, Mr. Nussbaum was assigned or had the
15 responsibility from the White House counsel's office to
16 manage the issue of Whitewater. And I believe you were
17 asked whether you had specifically authorized Mr. Nussbaum
18 to assume that role. Do you know who authorized them or
19 asked them to assume that role?

20 A Well, I think as White House counsel, any matters
21 of this type that would be legal in nature would ordinarily
22 be the responsibility of White House counsel, and that's

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1 how Mr. Nussbaum became involved in this and many other
2 matters of this type, and was responsible for it in a very
3 ordinary course of business way without anyone specifically
4 authorizing a general counsel of a company being
5 responsible for legal matters. It was more the flow of
6 ordinary business than a specific authorization.

7 Q As chief of staff, was it one of your
8 responsibilities to supervise the entire staff and make
9 sure that someone or a number of people had responsibility
10 for a particular matter?

11 A Generally, that would be the case. And
12 generally, those responsibilities are relatively clearly
13 defined, what activities and responsibilities fall in a
14 particular area.

15 Q Was there a time that you spoke to Mr. Nussbaum
16 or communicated with him and asked him to take
17 responsibility in terms of the legal side of any Whitewater
18 matters that were going to come up?

19 A I was aware that any matters of this type
20 Mr. Nussbaum was responsible for, and in the ordinary
21 course of business and our interchange, that was understood
22 both by me and Mr. Nussbaum.

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1 Q Do you know whether either the president or the
2 first lady had asked Mr. Nussbaum to be involved in this?

3 A I don't note whether they asked him to get
4 involved in it. Again, ordinary course of business would
5 suggest that the White House counsel would be aware of
6 these matters and be involved in it.

7 Q You testified again in response to Mr. Codinha's
8 question that among the matters that had to be handled were
9 matters requested by the Justice Department. Would you
10 explain what you meant by that answer?

11 A I responded to Mr. Codinha -- what time frame,
12 Mr. Chertoff?

13 Q I'm sorry. I'm focused now on the period in the
14 latter part of 1993, before the first of the year 1994.

15 A I was generally aware that there were some
16 matters that related to Whitewater that may or may not
17 become part of a more formal nature. That would be the
18 responsibility of the White House counsel to deal with it
19 on an appropriate basis as he or she did with many, many
20 other issues of that type.

21 Q But what kind of requests from the Justice
22 Department would it be, in your mind, necessary for

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1 Mr. Nussbaum to deal with?

2 A I did not get into that level of detail. I
3 simply felt if any requests were made or any interface, the
4 normal link between the White House on legal matters and
5 the Justice Department is the White House counsel's office
6 and Mr. Nussbaum was White House counsel. That's how I
7 viewed the relationship.

8 Q Was it your understanding that -- again, in this
9 same period of time, latter part of 1993 -- that the
10 Justice Department might be making requests of the White
11 House in terms of providing information about Whitewater?

12 A Mr. Chertoff, I don't think that was my
13 impression. I had not developed that line of thinking at
14 that point. I did not know what this matter might entail
15 in terms of issues arising. I just simply was aware there
16 might be something that could become a more active matter.
17 That was the extent of my understanding.

18 Q You used the words in your earlier examination,
19 matters requested by Justice. And my question is what in
20 particular was there concerning Justice requests that you
21 had in your mind in the fall of 1993 as something that
22 Mr. Nussbaum would have to --

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1 A I don't know that I had specific matters. Just
2 any request Justice had logically came to the White House
3 counsel's office and logically would be the general
4 counsel, the White House counsel's responsibilities for
5 dealing with those matters in an appropriate way.

6 Q Did you have an understanding or an arrangement
7 with Mr. Nussbaum in which he was supposed to inform you of
8 any such requests?

9 A He generally kept -- it was our understanding he
10 would generally keep me informed of pertinent matters,
11 relevant matters, but with the level of activity, he had
12 wide discretion in that regard, as I think is ordinarily
13 the case.

14 Q Were you aware of any requests or communications
15 between the Justice Department and Mr. Nussbaum in the fall
16 of 1993?

17 A I don't recall a specific time period. At some
18 point, I think in the month of December, I became aware of
19 certain requests from Justice, but without really
20 refreshing my memory, I don't recall the specific time
21 frame or the context of any requests from Justice.

22 Q Did you become aware of this from Mr. Nussbaum?

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1 A Possibly so. I don't recall how I became aware
2 of Justice's request regarding the Whitewater/Madison
3 matter. It may well have come from him. I just simply
4 don't remember a specific meeting or discussion.

5 Q Is there something in writing that would refresh
6 your memory about that?

7 A It may. I don't know.

8 Q Did you have a file in your office regarding
9 Madison or Whitewater matters?

10 A At some point I developed a file on Whitewater or
11 Madison. I don't recall what time period that I developed
12 it.

13 Q Was the content of that file furnished to
14 Mr. Fiske?

15 A I believe we tried to be fully responsive to any
16 requests Mr. Fiske made in terms of documents.

17 Q Directing your attention still to the period of
18 December of 1993, were the requests from the Justice
19 Department or contacts from the Justice Department related
20 in part to the question of the appointment of a special
21 counsel by the attorney general?

22 A Please repeat the question.

1 Q Directing your attention to the period of
2 December 1993, and let's say over into January of 1994,
3 were there contacts or requests between the Justice
4 Department and Mr. Nussbaum related in part to the question
5 of the appointment of a special counsel?

6 A I don't know what the discussions were between
7 Justice and Mr. Nussbaum and the specific requests.

8 Q Was the appointment of a special counsel and what
9 that special counsel would do in Justice a matter you
10 became concerned with in your responsibility as chief of
11 staff?

12 A At some point I became aware, I believe, in
13 January, perhaps a bit before that, that there were some
14 who felt a special counsel was needed to review the
15 Whitewater/Madison Guaranty matter.

16 Q Were there discussions about that question at the
17 White House?

18 MR. TAYLOR: Object as to scope. This is not a
19 subject of committee inquiry.

20 BY MR. CHERTOFF:

21 Q Were you aware of anyone at the White House
22 communicating with the Department of Justice on that

1 subject?

2 MR. TAYLOR: Object as to scope.

3 MR. CHERTOFF: Mr. Codinha?

4 MR. CODINHA: I think that a scope objection
5 about the Department of Justice is needed at this point.
6 That is not within the scope.

7 MR. CHERTOFF: I'm talking specifically about the
8 issue of the special counsel's charter or mandate, a matter
9 opened up by Mr. Codinha in his questioning, a matter which
10 I think Mr. Codinha will agree is very specific in the
11 context of conversations between the White House and people
12 at Treasury that are at the core of this inquiry. And in
13 those contacts, there have been discussions about the scope
14 of the special counsel's mandate and how that would
15 interplay with the subjects being discussed between
16 Treasury and the White House. I think in view of that,
17 it's a little arbitrary to cut the line off on these
18 inquiries, so I'm going to renew my request that the
19 question be answered.

20 MR. CODINHA: I will respond by saying you're
21 absolutely right factually, what has developed. However,
22 based on the reading of the Senate Resolution 229, the fact

1 that Justice is not particularly listed, I would defer to
2 Senator Riegle or his designee on that question.

3 MR. CHERTOFF: We'll move along, then.

4 MR. CODINHA: Thank you.

5 BY MR. CHERTOFF:

6 Q Just going back to the general question I had
7 asked you about, matters requested by Justice of
8 Mr. Nussbaum, was Mr. Lindsey also to be informed of such
9 requests, to your knowledge?

10 A I do not know.

11 Q You also, I believe, testified in response to
12 Mr. Codinha's questions that in the late part of December,
13 the issue of the timing of delivery of information
14 regarding referrals to the Justice Department became an
15 issue, that there was a meeting about that. Can you
16 explain what that was?

17 A As I remember it -- and I hope I have my time
18 frames right here -- there was certain information that the
19 president and first lady had agreed to provide the Justice
20 Department, I believe, through their attorney,
21 Mr. Kendall. And at some point it was felt that that
22 information had been delivered to the Justice Department

1 when, in fact, it was prepared to be delivered, but had not
2 physically been delivered. And some issue was made over
3 that in a public way about it had not been delivered, and I
4 recall a meeting of how to respond to that issue.

5 Q Do you remember who attended the meeting?

6 A No, I don't remember the specific attendance.

7 Q Did you regularly receive memoranda from Cabinet
8 secretaries, including your Secretary of the Treasury
9 regarding a weekly report of what was going on in the
10 department?

11 A I generally did. However, I relied on the
12 Cabinet summary report from Ms. Varney in some occasions.

13 Q And how would it be determined what matters were
14 of interest to be included in this report from the various
15 Cabinet departments?

16 A They generally initiated the reports.

17 Q Did you become aware through that process of
18 either getting the reports directly or through the process
19 of having them summarized in the Cabinet report that as of
20 November 1993, Congress was showing greater interest in the
21 Whitewater matter?

22 A I don't recall that I received the information

1 that way. I could have, Mr. Chertoff, but I don't recall
2 it being received in that way, in that time period.

3 Q Now, let me direct your attention to your
4 testimony earlier concerning a conversation that you had
5 with Joel Klein, I believe, in January of 1994 regarding an
6 earlier conversation Mr. Klein had had with Eugene Ludwig.
7 Do you recall testifying about that a little while ago?

8 A I do recall my testimony.

9 Q Now, did Mr. Klein convey the urgency in wanting
10 to speak to you about this matter?

11 A I don't recall that he conveyed a sense of
12 urgency.

13 Q You testified that you were concerned that the
14 conversation between the president and Mr. Ludwig, a
15 Treasury official, about Whitewater and Madison could be
16 subject to misinterpretation of the press.

17 What was the misinterpretation you were afraid of
18 seeing in the press?

19 A I've already testified that Mr. Klein simply
20 informed me of a conversation the president, as I
21 understood it, had had with Mr. Ludwig and any conversation
22 that the president and Mr. Ludwig had that in any way

1 touched on the Whitewater matter could be misinterpreted as
2 an inappropriate contact in some way. Mr. Klein simply
3 wanted to make me aware of that conversation which he did.

4 Q When you say it could be misinterpreted as an
5 inappropriate contact, were you concerned that people might
6 wonder whether nonpublic information had been transmitted
7 to the president?

8 A I don't know if I developed my reasoning in a
9 legal way or in that manner. It was simply conveyed to me
10 by Mr. Klein as probably one of the many issues that could
11 perhaps be a part of review of Madison Guaranty and
12 Whitewater. That's how it was conveyed to me and it was
13 reposed in the White House counsel's office, which was the
14 repository of these types of issues. I was satisfied that
15 Mr. Klein had reported this conversation to me as a matter
16 of information.

17 Q Did you ascertain whether Mr. Klein had spoken to
18 the president about this?

19 A It was my impression that he either had or was
20 going to. That was my impression in our discussion.

21 Q Did you ascertain whether in a past conversation
22 or in a conversation Mr. Klein intended to have that

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1 Mr. Klein was going to caution the president against having
2 contacts like this?

3 A That was my impression.

4 Q Did you direct Mr. Klein to caution others in the
5 White House to be careful about the matter of contacts with
6 people from Treasury?

7 A Mr. Klein had already noted to be thoughtful in
8 our conduct, which is Mr. Klein's normal manner of doing
9 business.

10 Q Did he tell you specifically that he had
11 mentioned to others that they should be very careful about
12 contacts?

13 A No, he did not.

14 Q This was a sensitive period of time because of
15 the impending -- or the controversy over the appointment of
16 the special counsel; correct?

17 A The time period we're talking about is shortly
18 after the 1st of the year?

19 Q Yes.

20 A The matter of the special counsel was one that
21 had been discussed and debated publicly.

22 Q Did that heighten your sensitivity to the issue

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1 of the contacts between the president and someone in the
2 Treasury Department regarding Whitewater?

3 A I don't know in a specific way that it did,
4 Mr. Chertoff. I was aware of the public discussion about
5 the meeting for special counsel.

6 Q Did it reinforce in your own mind the need to be
7 very careful about having any contacts with people from the
8 Treasury Department regarding Whitewater that could be
9 misinterpreted?

10 A I don't know that I interpreted the information
11 in that way. I interpreted information that Mr. Klein
12 reporting the matter to me was an acknowledgment of
13 information. That's how it was conveyed and that's how I
14 received it.

15 Q You didn't think about it any further or consider
16 taking any further action with respect to that report?

17 A I felt Mr. Klein was the proper person to be
18 involved in this action -- not action, but to be involved
19 in this matter. He was the deputy general counsel of the
20 White House. That's where again, I testified earlier these
21 issues and information were posed and I felt he would deal
22 with this matter and others in a proper and appropriate

1 way.

2 Q Did you direct Mr. Klein to bring to your
3 attention, on this occasion or an earlier occasion earlier
4 or in the month of January, bring to your attention issues
5 concerning potentially embarrassing contacts about
6 Whitewater that might occur?

7 A I don't recall directing him to do that, to bring
8 that to my attention.

9 Q Were there any other occasions before March 1 of
10 1994 where Mr. Klein brought to your attention a question
11 concerning a possible inappropriate or infelicitous contact
12 between the White House and the Treasury Department or the
13 RTC?

14 A I don't recall a specific occasion. There could
15 have been some. I just simply don't recall a specific
16 occasion.

17 Q Again, in the period before March 1, 1994, did
18 Mr. Klein bring to your attention the question of whether
19 there were inappropriate discussions concerning
20 Mr. Altman's role in handling the Whitewater matter?

21 A Mr. Klein may have raised that with me,
22 Mr. Chertoff. I don't recall that he did.

1 Q Well, is it the kind of thing you would have
2 remembered him raising with you at that period of time?

3 A Well, there was a number of matters going on as
4 there usually is in the White House. And as I've already
5 testified, while I was involved in a broad range of issues,
6 the Whitewater/Madison Guaranty discussions or issues I had
7 asked Mr. Ickes to be responsible for during the time
8 period that you're suggesting, as well as Mr. Nussbaum at
9 that time in the White House counsel's office as well as
10 Mr. Klein, deputy White House counsel. I was involved in a
11 number of other activities including some travel at that
12 time.

13 Q Would you have expected Mr. Klein to raise these
14 matters with either Mr. Nussbaum or Mr. Ickes?

15 A He could have and at some point those matters
16 would have been raised with me. I simply don't recall.

17 Q Regarding the issue of questions you were asked
18 earlier about a meeting arranged involving Secretary Riley,
19 Secretary Babbitt, Secretary Bentsen and Secretary Reich,
20 you testified concerning the role of Christine Varney. Let
21 me ask you, would Ms. Varney have had the authority on her
22 own to convene a meeting of several Cabinet secretaries to

1 discuss a matter such as Whitewater?

2 A Ms. Varney could have convened a meeting of
3 Cabinet secretaries. Again, it depends on the
4 circumstances, as I believe I testified earlier.

5 Q And I want to make sure my question is clear.
6 I'm not talking merely about assembling the appropriate
7 people to discuss a topic, but actually making the decision
8 there should be a meeting about a particular topic and then
9 summoning people to the White House to participate in the
10 meeting. Would she have been the person with authority to
11 do that?

12 A On occasion, she could have and has done that.
13 Whether she did on this occasion or whether the meeting
14 took place, I just simply do not know.

15 Q Was she involved in Whitewater matters?

16 A Not in a direct way, I don't believe.

17 Q Did she participate in the Whitewater response
18 team?

19 A No, I don't believe she did.

20 Q Who else, besides Ms. Varney, would have been in
21 a position to ask Cabinet secretaries to come to the White
22 House to have a meeting about a subject such as Whitewater?

1 A Well, again, I don't recall this meeting or even
2 if it did take place. There could have been several people
3 who could have convened such a meeting, and I just simply
4 don't know who -- I can speculate, but I just don't know.

5 Q It's a question of authority really. I'm asking
6 based on your knowledge as chief of staff as to who would
7 be somebody with the authority to convene a meeting on such
8 a subject. I take it you yourself would be sufficient
9 authority?

10 A Yes, I could.

11 Q Would Mr. Ickes have that authority?

12 A He could convene such a meeting.

13 Q Could Mr. Altman?

14 A He could convene such a meeting.

15 Q Could the president have that authority?

16 A Obviously, he could convene such a meeting.

17 Q Could the first lady have that authority?

18 A She could convene such a meeting.

19 Q Would Mr. Nussbaum have that authority?

20 A I believe he could convene such a meeting if he
21 so desired, yes.

22 Q Is there anybody else you can think of other than

1 the ones we've named and Ms. Varney who you think would
2 have the authority to convene a meeting and have Cabinet
3 secretaries attend?

4 MR. TAYLOR: You mean to include the Cabinet
5 secretaries themselves, whether one of them could convene
6 the meeting?

7 MR. CHERTOFF: Let's limit the question to the
8 White House at this point.

9 THE WITNESS: There could have been others in the
10 White House who would have had that authority, given
11 particular circumstances; Mr. Klein, for example. But
12 again, Mr. Chertoff, I would be speculating as to the
13 circumstances that could lead to someone having the
14 imprimatur to convene such a group.

15 BY MR. CHERTOFF:

16 Q Would you be normally informed about a meeting?

17 A Normally I would be. It could have been convened
18 without my knowledge or I could have been traveling during
19 this period. I don't know. There are a number of meetings
20 that took place in the White House.

21 Q Would minutes be kept of such a meeting?

22 A They may be or in some cases they may not be.

1 Q Is there a place for keeping minutes of meetings
2 that involve Cabinet secretaries that take place at the
3 White House?

4 A Not necessarily individual meetings with Cabinet
5 secretaries. There are meetings where minutes are not
6 taken. A formal Cabinet meeting, normally there are some
7 minutes or description of that meeting.

8 Q Now, I believe you were asked a question --
9 actually, let me ask you this: Can you think of any reason
10 why at that time -- let me withdraw the question and ask
11 this.

12 You testified that during this period of time,
13 January, the Whitewater response team was dealing with the
14 press or dealing with fact gathering. What did you mean by
15 "fact gathering"?

16 A If a certain allocation was made, on many
17 occasions it was without any basis of fact and the
18 Whitewater response team would research the matter put
19 forward, if appropriate, the correct facts about a
20 situation.

21 Q How would they conduct the research?

22 A Mr. Podesta would be involved in that. He could

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1 answer the question much better than I simply by gathering
2 the various facts about a particular issue, various records
3 and information available.

4 Q Were there investigators hired by the White House
5 who were working with people at the Whitewater response
6 team to go out and actually develop information?

7 A Not to my knowledge.

8 Q As part of this effort to gather facts, was there
9 communication with Mr. Kendall?

10 MR. TAYLOR: By whom?

11 MR. CHERTOFF: By people at the White House, on
12 the Whitewater response team.

13 THE WITNESS: On certain issues I believe there
14 was. I'm not knowledgeable of the specific communication.

15 BY MR. CHERTOFF:

16 Q You were also asked about your knowledge of a
17 meeting in early January involving Mr. Bentsen and
18 Mr. Stephanopoulos. Was Mr. Stephanopoulos, was it his
19 regular practice to inform you of a meeting he would have
20 had with the Cabinet secretary?

21 A He generally would, but on some occasions --
22 again, there are many, many meetings that take place.

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1 Literally would be impossible for Mr. Stephanopoulos or
2 other assistants to the president to inform me of every
3 meeting that they had with the Cabinet secretary or others.

4 Q Was it a regular practice of Mr. -- let me
5 withdraw the question.

6 From your knowledge of Mr. Stephanopoulos's
7 position in the White House and his regular duties at that
8 period of time, in January of 1994, would it have been an
9 unusual thing for him to have a one-on-one meeting with the
10 Cabinet secretary?

11 A No, it would not have been unusual.

12 Mr. Stephanopoulos was and is a senior adviser to the
13 president and meets or discusses various matters with the
14 Cabinet secretaries as an ordinary course of business.

15 Q Were you made aware of any advice that
16 Mr. Bentsen conveyed to Mr. Stephanopoulos regarding
17 Whitewater in January of 1994?

18 A No, I was not.

19 Q Were you aware of conversations in very late
20 December, early January, 1994 involving White House
21 officials concerning the effect of Whitewater on the
22 ongoing effort to move the health care legislation?

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1 A I was aware of generally how the Whitewater
2 review, either by the Department of Justice or the special
3 counsel, could affect the legislative agenda, including
4 health care.

5 Q Did you hear someone express the view that it was
6 paralyzing the White House?

7 A I think the press perhaps speculated about that
8 and it's reported publicly from time to time.

9 Q Did you hear someone within the White House
10 express that view?

11 A I don't know about paralyzing the White House,
12 but it was an issue that had to be dealt with, and it would
13 have appeared to be an ongoing issue for some period of
14 time.

15 Q Did you hear anybody -- again directing your
16 attention to the same period of time of late December,
17 early January 1994, did you hear anybody in the White House
18 discuss the possibility that if the Whitewater controversy
19 continued much longer, it might derail health care?

20 A Well, I think it was publicly discussed that
21 these types of personal allegations or allegations could be
22 distractive from a productive legislative agenda.

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1 Q Did Ms. Williams ever say this, or were you aware
2 that Ms. Williams ever discussed that viewpoint?

3 A I think that was the view held by a number of
4 people both inside and outside the White House, and that
5 was one reason the White House response team was formed to
6 deal with these types of matters on an ongoing basis so we
7 could proceed with business.

8 Q Did you ever hear it expressed directly or
9 indirectly by the president or the first lady?

10 A I think it was viewed in a logical and
11 understandable view by those inside and outside the White
12 House including the president and first lady.

13 Q Was Mr. Altman a friend of the president?

14 A They had been friends for a number of years.

15 Q And did he have a social relationship with the
16 president and the first lady?

17 A I do not know.

18 Q Did he see the president or the first lady with
19 some degree of regularity?

20 A Mr. Chertoff, I don't know for certain. I don't
21 believe Mr. Altman visited Arkansas frequently when the
22 president was governor of Arkansas. I don't recall his

1 being there, but he could have been there and my not
2 knowing about it.

3 Q Since the president became president, has
4 Mr. Altman had occasion to see the president or first lady
5 with some degree of regularity?

6 A Oh, some degree of regularity, but not in a way
7 that would be different from other Cabinet secretaries.
8 I've already testified about Mr. Altman's leadership in the
9 economic plan where he was more involved in the White House
10 activities for a period of about 60 days.

11 Q Were you aware of any conversations with
12 Mr. Altman concerning the effect that the Whitewater matter
13 might have on the ability of the administration to move
14 forward on matters they were very concerned with on a
15 policy basis?

16 A In terms of legislative agenda and other policy
17 matters?

18 Q Yes.

19 A Mr. Altman would be one of the many people who
20 were concerned about that. But I think, again, that would
21 be true of almost anyone as part of the administration. I
22 think it's a common sense understandable concern.

1 Q Was it your understanding that Mr. Altman would
2 have been well aware that the Whitewater -- that a
3 prolonging of the Whitewater controversy could have an
4 adverse impact on something that was very central to the
5 administration's legislative agenda?

6 A I think Mr. Altman or any Cabinet secretary, just
7 again, a very logical way could appreciate and have some
8 concern about any allegation or distractive situation
9 having some impact on the White House activities if it were
10 not dealt with in a manner that would leave the White House
11 free to conduct the people's business as well as the
12 remainder of the administration. That was the thought
13 train, so to speak. I can't speak for Mr. Altman, but I
14 think that's generally reflective of people inside and
15 outside the White House.

16 Q Did you speak with Mr. Altman about this issue in
17 January?

18 A I don't recall the specific conversation about
19 this issue with Mr. Altman.

20 MR. TAYLOR: Michael, can you give me a --

21 MR. CHERTOFF: Half an hour approximately.

22 MR. TAYLOR: Let me consult with my client.

1 (Recess.)

2 BY MR. CHERTOFF:

3 Q Mr. McLarty, do you know whether you attended any
4 meetings with the president or the first lady during the
5 fall of 1993 in which criminal referrals might have been
6 discussed?

7 A I don't recall that I did.

8 Q Did you take notes of meetings with the president
9 and Mrs. Clinton from time to time?

10 A From time to time, depending on the subject
11 matter.

12 Q Have you reviewed those notes to see whether they
13 contain any references to Whitewater or Madison Guaranty?

14 A I have, and I think we've been responsive to any
15 data requests.

16 Q Did you find any notes that mention Whitewater or
17 Madison Guaranty?

18 A I had some notes. I don't think they reflected
19 any meetings I had with the president and first lady that I
20 recall.

21 Q Did they refer to Madison Guaranty or Whitewater?

22 A I don't recall the specific notes or information

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1 that we provided. It was all types of information. I
2 don't recall specific notes about a particular meeting.

3 Q Now, let me direct your attention to this
4 February 2nd meeting. You indicated that your
5 understanding from somebody was that the reason -- that the
6 reason for the meeting you were asked to attend was to
7 provide -- so that Mr. Altman could provide the White House
8 with information he had provided to other officials in
9 Congress and to the public; correct?

10 A It was my -- my memory is it was to be an
11 informational meeting about Whitewater that Mr. Altman had
12 requested.

13 Q And was it your specific understanding from the
14 person who informed you about the meeting that it was to be
15 all information that had been provided to Congress or to
16 the public?

17 A That was my general recollection of the meeting.
18 Again, Mr. Chertoff, there are many meetings arranged
19 through my office. I don't recall any more than my
20 testimony has reflected.

21 Q When you heard about a meeting with Treasury
22 officials concerning Whitewater or Madison, did it ring a

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1 bell concerning your conversation a few weeks earlier with
2 Mr. Klein about the president's meeting with Mr. Ludwig?

3 A It did not.

4 Q You testified that you did not know recusal would
5 be discussed at the meeting. Was it your understanding
6 before that meeting on February 2nd that Mr. Altman's
7 intentions regarding recusing himself had been disclosed to
8 Congress?

9 A No, I don't think I was aware of the recusal
10 matter with Mr. Altman until after the February 2nd meeting
11 in his phone call to me.

12 Q So you had no understanding as of the period
13 right before the meeting on February 2nd that Mr. Altman
14 had ever disclosed to Congress any facts concerning his
15 intentions to recuse himself?

16 A No, I don't recall any understanding of recusal
17 on the part of Mr. Altman prior to that meeting.

18 Q Would you have attended the meeting -- let me
19 withdraw the question.

20 Would you have allowed the meeting to go forward
21 had you been informed that information was going to be
22 furnished that was nonpublic?

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1 A That's speculative, and the answer is I don't
2 know. I suspect I would have relied on White House counsel
3 to make that judgment.

4 Q Did you have an understanding as of February 2nd
5 there was a problem with an agency providing nonpublic
6 information to the White House regarding a matter having to
7 do with the president's own personal interest?

8 A I don't think I focused on that issue prior to
9 that meeting.

10 Q When you learned you were unable to be at the
11 meeting, did you ask someone else to cover the meeting for
12 you or to report to you on the meeting?

13 A No, I did not.

14 Q Had you been advised in advance how long the
15 meeting would run?

16 A I may have been generally aware of the time
17 frame, but I don't recall. I think on my schedule, I think
18 it suggested 30 minutes to an hour. I can't recall a
19 specific time frame.

20 Q In terms of the usual length of time of
21 meetings --

22 MR. TAYLOR: Can I interrupt?

1 MR. CHERTOFF: Sure.

2 (Witness conferred with counsel.)

3 THE WITNESS: Do you want me to clarify that?

4 The 30 minutes was only a note, not on my formal schedule.

5 I recall that being somewhere.

6 BY MR. CHERTOFF:

7 Q Focusing in on January or February as chief of
8 staff, would a 30-minute meeting have been a relatively
9 long meeting for you during the weekday?

10 A It really depended on the subject matter. Some
11 meetings were well over 30 minutes, an hour to two hours.
12 Some were shorter than that. It depended on the subject
13 matter.

14 Q Is a 30-minute meeting generally a meeting about
15 something important?

16 A Mr. Chertoff, it really depends on the
17 circumstances of the subject matter. I don't think that's
18 a completely valid conclusion to draw in that way.

19 Q Did you seek any kind of advance information or
20 preparation before going to the meeting about what the
21 subject of the meeting would be?

22 A No, I did not. Of course, I did not attend the

1 meeting.

2 Q But up until the point you realized you weren't
3 going to be able to make the meeting, did you consider you
4 wanted to have some advance preparation for the subject
5 matter?

6 MR. TAYLOR: Objection. You're assuming that he
7 intended to go to the meeting and then found that he could
8 not go, and I don't think that's what the record --

9 MR. CHERTOFF: Let me withdraw the question.

10 BY MR. CHERTOFF:

11 Q Did you ever form an intent to go to the meeting?

12 A I don't recall that I formed an intent to go to
13 the meeting. I don't believe it was on my schedule. And
14 as you know, I did not attend the meeting.

15 Q When you had the conversation -- refresh my
16 memory. Was it Mr. Ickes who contacted you about the
17 meeting?

18 A I'm sorry. Repeat the question.

19 Q Was it Mr. Ickes who contacted you about the
20 meeting?

21 A I don't recall whether Mr. Altman first called me
22 or whether -- and then subsequently Mr. Ickes informed me

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1 of the meeting or whether the information came directly
2 from Mr. Ickes. I don't remember how I received the
3 information. I was aware the meeting was going to take
4 place that Mr. Ickes had arranged the meeting and I was
5 aware of the meeting and if I could attend, I would. As it
6 turned out, I did not attend.

7 Q Now, the meeting on -- I have a calendar here for
8 the record. February 2, 1994 was a Wednesday. Your
9 testimony is that your conversation with Mr. Altman
10 concerning recusal occurred over the weekend?

11 A As I remember it, I believe that's right. I
12 believe that's right.

13 Q And you recall that because you were at home?

14 A I think I returned the call from home. It does
15 not necessarily mean it was the weekend.

16 Q Is it likely you would have been at home during
17 the week, other than late at night?

18 A In the evening hours. I many times return calls
19 after 6:00 at night.

20 Q In beginning the conversation, did Mr. Altman
21 either explicitly or in some other way convey to you the
22 notion that he was filling you in on a subject that had

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1 been discussed at the meeting?

2 A I don't recall the conversation in that way.
3 That could have been the case. I was aware the meeting had
4 taken place.

5 Q In your mind, when you had the conversation with
6 Mr. Altman, did you relate it to the meeting on
7 February 2nd?

8 A I don't know that I did in a specific way. It
9 was a brief conversation, as I noted to you or noted in my
10 earlier testimony, I'm sorry. And I've testified about the
11 discussion or conversation in that telephone visit.

12 Q Now, you indicated earlier, I believe, that part
13 of the discussion involved consideration of the possibility
14 that his not recusing himself would raise an appearance
15 issue. Do you recall that, an issue about appearances?

16 A Yes, perception, yes.

17 Q In your mind, what was your understanding of the
18 perception problem that might occur?

19 A Well, again, I mostly listened to Mr. Altman's
20 thoughts, expressed an understanding of his trying to reach
21 great judgment. And as I remember it, it was simply that
22 while Mr. Altman, in all of my dealings, has discharged his

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1 responsibilities with professionalism and integrity, that
2 this matter, this particular matter, it could be alleged
3 that in some way he was not perfectly objective because of
4 his being an appointment of President Clinton. He
5 certainly strongly felt that would not be the case. He
6 would handle it in a most professional and objective way,
7 but he raised the perception problem. And again, I
8 understood his dilemma, and encouraged him to reach the
9 judgment that he felt was the right one.

10 Q In this conversation, did Mr. Altman lay out the
11 pros and cons of recusal?

12 A It was a brief telephone conversation, as I've
13 already testified, and I don't think it was developed in
14 that formal a way, but you can sense the dilemma he had,
15 and he was trying to weigh those matters and reach what he
16 felt was the right judgment, and I felt he would do that
17 and that's what I encouraged him to do.

18 (Witness conferred with counsel.)

19 Q Was part of the issue of appearances the question
20 not only of his being a presidential appointee but of his
21 actually being a personal friend of the president?

22 A I don't recall that aspect being discussed.

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1 Q Why did you see this as a tough decision?

2 A I have already testified that Mr. Altman was
3 weighing his decision and trying to reach a correct
4 judgment. I was empathetic.

5 Q Did you personally view it as a difficult
6 discussion?

7 A Mr. Chertoff, with the many issues that we had, I
8 was understanding of Mr. Altman's situation and wanted to
9 be supportive of that. And that's really my tone. It was
10 his decision to make.

11 Q Did you specifically avoid giving him advice as
12 to how he should come out on that decision?

13 A Yes. I don't know that specifically, but I did
14 not give him any advice.

15 Q Was there a reason you didn't give him advice?

16 A I've already described the conversation, in my
17 view.

18 Q I'm not asking what you said. I'm asking what
19 was in your mind. In your mind, while you were talking to
20 him, was there a reason that you made it.

21 In your view when you were talking to him, did
22 you make a decision that it would be better not to give him

1 advice as to how he should come out on this recusal
2 determination?

3 A Mr. Altman did not ask my advice. He asked for
4 information and my feeling and I listened and I felt that
5 was the proper response during this telephone conversation.

6 Q You didn't feel he was soliciting your advice?

7 A No, I did not.

8 Q Did he mention directly or were you aware from
9 other sources that he had had other conversations with
10 people in the White House concerning whether he should
11 recuse himself?

12 A No, he did not.

13 Q Were you aware of that from some other source?

14 A No. I was aware of the February 2nd meeting, but
15 nothing more than that.

16 Q At the time you spoke to Mr. Altman, did you know
17 the February 2 meeting included a discussion about recusal?

18 A No, I did not.

19 Q When you talked with Mr. Altman, was it your
20 understanding you were the only person in the White House
21 he had spoken to recusal about?

22 A I did not know if this matter had come up at the

1 February 2 meeting or not.

2 Q Did you think it might have come up at the
3 meeting?

4 A I don't know if that thought occurred to me in
5 that way or not. It was a brief telephone conversation,
6 Mr. Chertoff.

7 (Witness conferred with counsel.)

8 Q Is there something, Mr. McLarty, you would like
9 to add?

10 A No. In terms of recusal, I may have been aware
11 that that had come up at the February 2 meeting or prior to
12 Mr. Altman's conversation with me. I think I was generally
13 aware that others knew he was weighing this decision prior
14 to my returning his calls some several days after he called
15 me.

16 Q Do you know how you became aware of it?

17 A Mr. Ickes could have mentioned it to me.

18 Mr. Nussbaum may have. I don't remember a specific way I
19 received that information.

20 Q Do you remember anything about these other
21 conversations which may have occurred in which you may have
22 learned that the issue of recusal was being considered?

1 A No, I don't remember, other than what my
2 testimony reflects that I was aware this decision
3 Mr. Altman was weighing.

4 Q At the time of your conversation with Mr. Altman,
5 after February 2nd, on this matter of recusal, was the
6 issue of recusal of other nominees a widely commented upon
7 issue at the White House?

8 A It may have been an issue in some other cases. I
9 don't recall it so.

10 Q Were you aware of any question -- let me withdraw
11 the question.

12 Were you aware of discussion at the White House
13 the fact that nominees were either being asked to recuse
14 themselves or were recusing themselves?

15 A I don't recall being aware of it. There may have
16 been some other instances where they were. I just simply
17 don't recall it.

18 Q In your mind, the issue of recusals was not a
19 generalized big problem for the administration?

20 A There may have been other instances. I don't
21 recall that there were. That doesn't mean that a matter
22 like that would every time come to my attention. I just

1 don't recall it.

2 Q But you don't remember a pattern of recusals
3 coming to your attention you regard as being problematic
4 for the administration?

5 A I don't remember a pattern. There may be other
6 recusals. I just simply don't recall the specifics.

7 MR. TAYLOR: Let me consult.

8 (Witness conferred with counsel.)

9 BY MR. CHERTOFF:

10 Q Now, let me direct your attention to the period
11 after Mr. Altman testified -- let me just withdraw that for
12 a second.

13 Between the conversation you've just been
14 testifying about concerning recusal with Mr. Altman and
15 February 24th when Mr. Altman testified at the Senate, do
16 you recall any conversations with anybody at Treasury or at
17 the White House concerning the issue of Mr. Altman's
18 recusal?

19 A Other than the telephone conversation with
20 Mr. Altman?

21 Q After the telephone conversation with Mr. Altman
22 and up to the time that he testified on the 24th of

1 February?

2 A I don't recall any conversations about any
3 conversation between that time period, the 24th or 25th,
4 whatever date you have there.

5 Q After his testimony on the 24th, do you remember
6 there was discussion at the White House whether
7 Mr. Altman's testimony before the committee had been
8 complete and accurate?

9 A At some point after his testimony, I became aware
10 that it was not -- that it might not have been complete
11 testimony.

12 Q Did you become aware that there was discussion it
13 might not have been accurate testimony?

14 A I think complete testimony was how I recall it.

15 Q Did you say when you were interviewed by the FBI
16 that you recall the issue as being whether the issue was
17 complete and accurate?

18 A That may have been the way the question was
19 phrased. I don't recall my using that description although
20 we could have.

21 MR. TAYLOR: We'd be happy to look at the 302 if
22 you want to show it to us.

1 MR. CHERTOFF: Regrettably, it's not in my
2 disposition. It was given under specific terms, and I
3 don't have the ability to vary those terms.

4 BY MR. CHERTOFF:

5 Q Was a group formed at the White House to deal
6 with the issue of Mr. Altman's testimony on the 24th of
7 February?

8 A I don't recall a specific group being formed
9 regarding Mr. Altman's testimony.

10 Q Do you remember discussions in the White House
11 about the fact that Mr. Altman may have misled Congress?

12 A I recall at some point after his testimony there
13 being noted that his testimony was not complete testimony.

14 Q I'm asking a question that goes beyond
15 completeness. Do you remember -- let me withdraw the
16 question.

17 Did anybody on the White House staff come to you
18 and say to you, in words or in substance, that Mr. Altman's
19 testimony could be misleading to Congress?

20 A Those are your words --

21 Q They're actually not, but go ahead. I'm asking
22 you whether those words were used to you.

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1 A At some point I became aware that Mr. Altman's
2 testimony might be a matter of some controversy or issue to
3 be raised about his testimony.

4 Q An issue raised about the content of the
5 testimony or an issue raised about the truthfulness of the
6 testimony?

7 A I don't recall how it was presented to me. It
8 was frankly more of the completeness of the testimony. I
9 don't recall it being put in a context of truthfulness.

10 Q When that came to your attention, did that
11 concern you?

12 A It concerned me as many other matters did
13 probably about this same time.

14 Q Did this come to your attention before Mr. Fiske
15 had subpoenas served upon White House personnel on or about
16 March 4th?

17 A I don't recall the time frame in the benchmark of
18 Mr. Fiske inquiring subpoenas for Mr. Chertoff. I don't
19 recall the time frame.

20 Q You can't tell us whether it came to your
21 attention before or after?

22 A I honestly don't remember.

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1 Q Did you recall learning from someone in the White
2 House or from the newspapers the week after Mr. Altman's
3 testimony that there were meetings with Mr. Nussbaum that
4 had not been disclosed by Mr. Altman in his testimony?

5 A I don't remember about meetings with
6 Mr. Nussbaum. I recall the issue being raised that
7 Mr. Altman's testimony could be a subject of controversy.
8 That's how I remember the matter being brought to me. I
9 don't remember any of the specifics about it.

10 Q Did you speak to the president about it?

11 A I don't believe I did.

12 Q Is it your testimony you did not speak to the
13 president about lingering questions concerning the meeting
14 with Roger Altman and White House officials?

15 MR. TAYLOR: That's a different question.

16 MR. CHERTOFF: Let me ask the question.

17 BY MR. CHERTOFF:

18 Q Did you speak to the president the week after
19 Mr. Altman's testimony about lingering questions concerning
20 the meeting with Roger Altman and White House officials?

21 A In terms of a time frame, had this matter become
22 a public matter at that time, Mr. Chertoff? I'm just

1 trying to get the --

2 Q I'm directing you to the period of time after
3 which the Washington Post had started to inquire about
4 perhaps additional meetings that Mr. Altman didn't testify
5 about. From that point forward, after the matter first
6 began to surface in the press, did you talk to the
7 president about the question whether Mr. Altman's testimony
8 was complete?

9 A I don't recall my specific discussion with the
10 president. That could have come up in a discussion or
11 conversation with the president in my presence.

12 Q Did the question of White House contacts come up
13 in a discussion you had with the president?

14 A The question of White House contacts again -- I'm
15 not certain about the time frame.

16 Q After it surfaced in the press.

17 A At some point the president commented about the
18 February 2nd meeting and so it clearly had come up in
19 discussions with the president, and I probably was part of
20 those discussions.

21 Q What did the president say?

22 A I think his statement in discussion was very much

1 the statement he made in his view, there was nothing that
2 was inappropriate about the meeting, but it would have
3 certainly been better had the meeting not taken place. I
4 think that's a fair reflection of his view.

5 Q In the course of this discussion, did the
6 president say to anybody in your presence, go out and find
7 out what happened here and come back and tell me what
8 happened at the meeting?

9 A I think it had been reported to him what happened
10 at the meeting after the public disclosure, and I think he
11 again, turned it over at some point to the White House
12 counsel.

13 Q Reported to him by whom after the public
14 disclosure?

15 A Again, I don't recall the specific way it was
16 reported. I was certainly probably aware of that report or
17 discussion.

18 Q Let me try to walk through this. I want to begin
19 at the point at which either there's a printed newspaper
20 report or a newspaper inquiry that comes to your attention
21 that there might have been additional meetings beyond the
22 February 2nd meeting that had been testified about by

1 Mr. Altman.

2 From that point forward, you do recall there was
3 a conversation at which you were present in which the
4 president was discussing the issue of these meetings?

5 A You better repeat your question and walk
6 through. I'm not sure whether you're talking about the
7 February 2nd meetings or other meetings.

8 Q That's a fair point. Let me begin by asking you,
9 after Mr. Altman's testimony, we'll use that as a beginning
10 point, February 24th, do you remember a meeting with the
11 president in which the February 2nd meeting was discussed?

12 A At some point when that meeting became an issue
13 with the press, the press was notified of it. And as I
14 remember, and I don't remember a specific meeting or
15 discussion, but I do generally remember that he would be
16 notified about that, it was reported to him that the
17 meeting was not an inappropriate meeting, that White House
18 counsel had been present, but it had clearly become a
19 matter of controversy, and I think the president's public
20 remarks, as I remember it, reflected his views. It would
21 have been better had this meeting not taken place. That's
22 how I remember it.

1 Q Who reported to the president about what had
2 happened at the February 2nd meeting?

3 A I do not recall who whether it was Mr. Nussbaum
4 or Mr. Ickes or somebody who attended the meeting. I don't
5 recall who reported it to me.

6 Q Did Mr. Nussbaum or Mr. Ickes simply tell the
7 president their conclusion that it was not inappropriate or
8 did they tell the president what had been discussed at the
9 meeting?

10 A I don't recall the specific discussion about that
11 meeting with the president. I do recall he was informed of
12 the meeting, and he made the statements I have just
13 commented on.

14 Q Was the president informed that the February 2nd
15 meeting included the subject of recusal of Mr. Altman?

16 A I do not know.

17 Q Were you present for the discussion in which the
18 president was informed about this, or did you learn about
19 the president being informed afterwards?

20 A I have already testified I don't recall a
21 specific meeting or discussion, but I was aware the
22 president was informed of the meeting and generally was

1 aware of how he reacted to it.

2 Q Let me make sure I have it precisely. Are you
3 telling us you don't remember being in the meeting where he
4 was informed?

5 A Yes. I don't remember a specific meeting, as
6 I've already testified, where he was informed about the
7 February 2nd meeting.

8 Q Is it your recollection that you learned about
9 the president being informed of this after the fact?

10 A My recollection is not clear how I learned of the
11 president being informed, and it may have just been again,
12 the course of communication during the day that I was aware
13 of that. I think he probably discussed it with me briefly
14 and made the statements he did.

15 Q Was there a second meeting or second event at
16 which the president learned that there had been additional
17 meetings beyond February 2nd?

18 A At some point he became aware of that. I'm not
19 sure when and how he became aware of those prior meetings.

20 Q Do you remember if that came to light after he
21 had first been told about the February 2nd meeting?

22 A No, I do not.

1 Q Did you ever hear the president express concern
2 about whether Mr. Altman had not been entirely forthcoming
3 with the Senate in his first try at testifying?

4 A I don't recall --

5 MR. TAYLOR: I thought it was the House.

6 MR. CHERTOFF: It was the Senate. February 24th
7 was the Senate.

8 BY MR. CHERTOFF:

9 Q Who did the president look to after February 24th
10 as having the responsibility to develop the facts of what
11 had happened regarding these White House meetings?

12 A At that point, he would have looked to --

13 Q Take a moment to think for a minute if you need a
14 moment to recall that. That's fine.

15 A I think the president had looked to Mr. Nussbaum
16 as the chief legal officer and concluded there was nothing
17 inappropriate about this meeting, but it would have been
18 better had the meeting not taken place and that was his
19 conclusion and he stated that.

20 Q At any point after February 24th -- when did
21 Mr. Nussbaum leave the White House?

22 A I would have to review. I think it was early

1 March, I believe.

2 Q At any point during the period of time, from
3 February 24th when Mr. Altman testified and the day on
4 which Mr. Nussbaum left the White House, did the president
5 ever ask anybody to find out what the facts were concerning
6 the meetings, to your knowledge?

7 A I don't know.

8 Q Was it your understanding that the president was
9 looking to Mr. Nussbaum to tell him, meaning the president,
10 about whether the meetings Mr. Nussbaum had were
11 appropriate?

12 A That was my understanding.

13 Q Did you suggest to the president that having
14 Mr. Nussbaum make an assessment about his own meetings
15 might not be the best way to make that judgment?

16 MR. TAYLOR: It's a good jury argument,
17 Mr. Chertoff. Can we move on?

18 MR. CHERTOFF: I'm just asking.

19 BY MR. CHERTOFF:

20 Q Can I ask for an answer to the question, please?

21 A I don't recall raising that question with the
22 president.

1 Q At the same time these issues were emerging, were
2 you asked to go and give an interview on the Charlie Rose
3 program concerning in part the issue of Whitewater?

4 A I think I was asked to give an interview on the
5 Charlie Rose program. I don't think the subject matter was
6 discussed prior to the interview.

7 Q Did you anticipate that the subject of Whitewater
8 might come up?

9 A I perhaps did. I anticipated a broad range of
10 agenda.

11 Q Did you ask to be briefed or prepared on the
12 issue of the meetings -- let me withdraw the question.

13 I will tell you that we've received from the
14 White House files X874 a transcript of your appearance on
15 March 1994, which I'm telling you for purposes of locating
16 the date.

17 Before that date, did you ask to be prepared on
18 the facts that occurred on the meeting on February 2nd?

19 A I probably ask to be prepared on any topics that
20 were likely to come up in this interview, which at this
21 point in time, could have been about this meeting. I don't
22 recall the specific time, but I probably asked for some

1 briefing on a number of subjects and particularly those
2 that were top with the press.

3 Q Did you get a briefing book?

4 A I don't think I received a formal briefing book.
5 I normally did not. It's usually a much less formal
6 process than that.

7 Q Who briefed you?

8 A Usually -- I don't recall on the Charlie Rose
9 program.

10 Q Who usually --

11 A Usually it's three or four people who give you a
12 briefing on various subjects.

13 Q Do you recall being asked in that interview about
14 what was said in the February 2nd meeting what information
15 had been conveyed in the February 2nd meeting? If you
16 don't, I'll refresh your recollection.

17 A Rephrase your question.

18 Q Do you recall being asked by Mr. Rose questions
19 about the February 2nd meeting?

20 A I don't recall the specific questions.

21 Q Let me read you the following question and
22 answers. It comes from page 1, 874. I'd give you a

1 copy -- "Question: The House of Representatives and the
2 Senate, on the Republican side, are in an uproar over this.
3 You have Robert Dole and Newt Gingrich calling for all
4 kinds of things, and comparing," and you interject and say
5 "well, you know," and Mr. Rose continues, "I realize
6 that's politics, but they seem to say there's a cover-up
7 going on here and that there's an ethical lapse, and
8 calling for Senator Riegle, a Democrat, to engage in a --
9 hearings on the part of the Senate Banking Committee."

10 And you respond as follows: "Now, Charlie that's
11 nothing -- that's nothing new. The truth is that members
12 of the Banking Committee, including Senator D'Amato's
13 staff, as well as Senator Riegle's staff, and I believe,
14 others were briefed on the same information, all of which
15 it was in the public record."

16 What was the basis on which you made that
17 statement on March 3?

18 A That was my understanding of the meeting on
19 February 2. It was an informational meeting about
20 information that had been provided to members of the Senate
21 Banking Committee.

22 Q Had you made any effort before this appearance to

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1 ascertain from someone who participated in a meeting what
2 actually was said?

3 A I would not have gotten a formal briefing on the
4 meeting and I don't recall I had requested a formal
5 briefing on the meeting.

6 Q But before this appearance on March 3rd, did you
7 ever go to Mr. Nussbaum and say in substance, what was said
8 at this meeting?

9 A It was my feeling. Mr. Chertoff, in discussions
10 that I had about this meeting, I was assured that the
11 meeting had been appropriate. That was White House
12 counsel's view, relying on White House counsel for that.
13 There was other people who attended the meeting with views
14 and I was satisfied with that discussion or explanation. I
15 did feel the problem was a perception as to how the press
16 would interpret it.

17 Q Was it your understanding from your conversations
18 with Mr. Nussbaum -- let me withdraw the question.

19 Did you have conversations with Mr. Nussbaum --
20 between the time that the issue of the February 2nd meeting
21 surfaced and March 3rd when you went on television, did you
22 have conversations with him in which he told you that all

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1 the information conveyed in the meeting was public
2 information or information that had been furnished to
3 Congress?

4 A I don't recall a specific discussion with
5 Mr. Nussbaum prior to the Charlie Rose show. That was my
6 understanding, and at some point I had that type of
7 discussion with Mr. Nussbaum and that was my understanding
8 and I accepted that explanation and believe it to be
9 correct.

10 Q What about with Mr. Ickes? Did you have the same
11 conversation with him before March 3rd?

12 A I don't know about any time frame. I had a
13 number of conversations with Mr. Ickes about a number of
14 things in his role as deputy chief of staff and this matter
15 probably came up in the course of ongoing communication and
16 discussion with Mr. Ickes.

17 Q Before March 3 when you were asked these
18 questions, did either Mr. Ickes or Mr. Nussbaum or anybody
19 else tell you that the issue of Mr. Altman recusing himself
20 on the Madison matter had been discussed at the February
21 2nd meeting?

22 A I don't know that I was aware or felt that the

1 matter of recusal had been discussed at that meeting. I
2 was aware that Mr. Ickes, I believe, was aware of
3 Mr. Altman's discussion of recusal and consideration for
4 recusal. But I don't remember discussing it in the context
5 of the Charlie Rose show.

6 Q When did you become aware that Mr. Ickes had an
7 awareness of Mr. Altman's consideration for recusal?

8 A Sometime after the February 2nd meeting.

9 Q And this was in a conversation you had with
10 Mr. Ickes?

11 A I don't remember the specific conversation. At
12 some point I became aware of that and it probably was
13 through Mr. Ickes or Mr. Nussbaum. I believe it was
14 through Mr. Ickes, but I'm not certain.

15 Q Before March 3, did you have a knowledge that
16 recusal had been discussed in that actual meeting?

17 A Well, I'm not sure it was discussed in that
18 actual meeting. I was not there so I don't know what was
19 discussed at that actual meeting. I think I was aware at
20 some point, perhaps before March 3 -- I'm simply just not
21 certain -- that the matter of recusal was an issue
22 Mr. Altman was trying to reach a proper decision on.

1 Q But had you been informed before March 3 that the
2 issue of recusal had been discussed at the February 2nd
3 meeting?

4 A I don't know that the issue of recusal --

5 Q I understand. I'm asking whether you were
6 informed. I'm not asking you whether it was true or not.
7 I'm asking whether someone had told you or you received
8 some information that the subject of recusal had been
9 discussed at the February 2nd meeting before March 3?

10 A I don't know whether I simply had that
11 information whether it was before or after the March 3rd
12 interview.

13 Q After Mr. Altman did recuse himself on February
14 25th, was there discussion in the White House concerning
15 people being upset about the manner in which Mr. Altman had
16 recused himself?

17 A At some point I became aware some were
18 disappointed he had decided to recuse himself.

19 MR. TAYLOR: The question is -- I'm trying to be
20 helpful, Mike. The question is were they upset about the
21 manner in which he did.

22 THE WITNESS: At some point I became aware that

1 he had recused himself in talking to a journalist and that
2 was not particularly well received by some.

3 BY MR. CHERTOFF:

4 Q Let me go back to your prior answer, which I
5 believe was you were aware that there was some unhappiness
6 that he had recused himself. Who expressed or where did
7 you learn there was some unhappiness in his having recused
8 himself?

9 A Just the general information flow in the White
10 House. I became aware of that at some point in time after
11 his recusal.

12 Q Do you remember who was unhappy?

13 A I don't recall a specific conversation. I
14 believe Mr. Ickes was, but I just simply don't recall the
15 nature of how I received the information.

16 Q Did you understand why Mr. Ickes was unhappy?

17 A I think I've already testified that he
18 apparently made some decision while he was speaking with
19 journalists and I didn't give it much thought past that.

20 Q I'm separating out the question of whether he
21 told the journalist from the question of unhappiness
22 concerning the decision to recuse. Your testimony was that

1 Mr. Ickes was unhappy concerning Mr. Altman's decision to
2 recuse himself. What was your understanding about what
3 made Mr. Ickes unhappy?

4 A I thought the nature of your question was the
5 manner that he recused himself. At least that's what I
6 thought the earlier question was, not the decision to
7 recuse. I thought the question was the manner of the
8 recusal, and that's what I tried to be responsive to.

9 Q So was there unhappiness about the decision to
10 recuse?

11 A The question was about the manner. That's what I
12 remember. He made this decision while talking to a
13 journalist. That seemed to not be particularly well
14 received, and I am not certain, but that's my memory.

15 MR. TAYLOR: Let's go off the record for a
16 second.

17 (Discussion off the record.)

18 (Recess.)

19 BY MR. CHERTOFF:

20 Q Regarding the recusal decision by Mr. Altman on
21 February 25th, was the president angry about that decision?

22 A I don't know.

1 Q You never heard any opinion expressed by the
2 president on that?

3 A No, I don't recall that I did.

4 Q Did Mr. Stephanopoulos ever tell you that the
5 president had been angry about that decision?

6 A I don't recall Mr. Stephanopoulos communicating
7 the president's anger about Mr. Altman's decision to me.

8 Q Do you know how it is that Mr. Altman was
9 prompted to write a letter to the president explaining that
10 decision?

11 A No, I do not.

12 Q Did the president write back?

13 A I don't believe he did, but I do not know.

14 Q Do you know if the president spoke to Mr. Altman
15 about it afterwards?

16 A I don't know.

17 Q Let me direct your attention to the question of
18 Jay Stephens. Did you ask Mr. Podesta at some point in
19 time to find out what the story with Jay Stephens's
20 appointment was?

21 A I don't recall that I did.

22 Q Who did Mr. Podesta report to?

1 A Mr. Podesta, as staff secretary, reported to
2 chief of staff's office, which would include the deputy
3 chief of staff. On Whitewater and related matters, he
4 would have reported to Mr. Ickes.

5 Q In your conversation with Mr. Stephanopoulos --
6 let me withdraw the question.

7 I believe you testified you had one or two
8 conversations with Mr. Stephanopoulos concerning the issue
9 of his conversation with Mr. Steiner concerning Jay
10 Stephens. In those conversations, was Mr. Stephanopoulos
11 upset about the controversy that he had caused?

12 A He was concerned about it.

13 Q Did you have lengthy conversations with him?

14 A I don't recall that they were lengthy
15 conversations.

16 Q Apart from the issue of how it would be dealt
17 with in the press, were you concerned about
18 Mr. Stephanopoulos's judgment in deciding to make this
19 telephone call?

20 A Mr. Stephanopoulos conveyed during the
21 conversation, as I remember it, that he wished he had not
22 made the call, that he had acted hastily.

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1 Q Other than Mr. Stephanopoulos, do you know of
2 anybody else who had had a discussion with anybody at
3 Treasury concerning Jay Stephens and his appointment with
4 respect to the Madison matter?

5 A No. Before or after? I think at some point
6 Mr. Ickes and Mr. Stephanopoulos, I became aware they had
7 talked, I believe, to Mr. Altman, but I was not aware of
8 that conversation.

9 Q How did you become aware of that?

10 A I think through the general press information.
11 Again, I might have known it right before it became public
12 knowledge.

13 Q Did you ever ask Mr. Ickes about that
14 conversation?

15 A I don't recall that I did.

16 Q Did the president have a view concerning
17 Mr. Stephens being hired?

18 A The president's view, as I recall it, was one of
19 surprise and he expressed some concern that Mr. Stephens
20 would be objective.

21 Q How did you learn this was the president's view?

22 A I actually came into the Oval Office. He was

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1 concluding a meeting or discussion with Mr. Lindsey, and
2 they were concluding a discussion, apparently about this
3 matter, and he conveyed that type of feeling, as
4 Mr. Lindsey was leaving the office and I was coming in.

5 Q Do you remember when that was?

6 A No, I do not.

7 Q Was it around the time of Mr. Altman's testimony?

8 A I don't recall the time period, and I don't
9 recall it being in any way associated with Mr. Altman's
10 testimony.

11 Q Was it before the matter of Mr. Stephanopoulos's
12 telephone call became public?

13 A I don't recall the time frame.

14 Q Let me finally ask you who Paul Toback is?

15 A Paul Toback works on my staff, essentially as an
16 administrative person on my staff.

17 Q Was there a point in time you asked him to
18 prepare a list or a memorandum concerning what might be
19 done to deal with some of the controversy that had been
20 generated by the revelation of these meetings between
21 Treasury and the White House?

22 A I may have asked him or Mr. Toback may have

1 prepared some information he thought would be helpful in
2 that regard.

3 Q Let me ask you again. You were asked about X901
4 and 902 whether that looks to you like Mr. Toback's
5 handwriting?

6 A It could be Mr. Toback's writing. He normally
7 types information distributed to me, but this could be his
8 writing.

9 Q Let me turn to one subject, which is unrelated to
10 something we talked about earlier but is within the scope
11 of the resolution. And I'm not asking you at this point
12 concerning any questions concerning the handling of the
13 documents in Mr. Foster's office after he took his life.

14 My question to you is, after you learned about
15 Mr. Foster's death, was there someone in the White House
16 that you appointed to be the liaison with the Justice
17 Department regarding the manner in which the subsequent
18 investigation would be handled?

19 A I don't recall appointing anyone to be
20 responsible for that specific incident.

21 Q Did someone take responsibility for that?

22 A It normally again, would be handled out of the

1 White House counsel's office, and I believe that's how that
2 matter was handled, is how I remember it.

3 Q Would it be Mr. Nussbaum who had that
4 responsibility?

5 A In that time period it would have been.

6 Q Was it your understanding that Mr. Nussbaum also
7 had responsibility for dealing with the Park Police with
8 respect to their investigation of the matter?

9 A Those type of inquiries and interface with the
10 authorities would have properly been proposed in the White
11 House counsel's office and Mr. Nussbaum was the White House
12 counsel, so yes.

13 Q Did you ask them to report to you on how he was
14 handling his relationships with Justice and the Park Police
15 over the matter of this investigation?

16 A Again, I think in your relationship with any
17 assistant to the president, you have a system of
18 communication satisfactory that works, but Mr. Nussbaum had
19 wide discretion and he did keep me generally apprised of
20 various matters that he was responsible for.

21 Q Did you ever place any particular time pressure
22 on Mr. Nussbaum to see to it that the matter was

1 resolved -- let me withdraw the question.

2 Did either you or anybody else you're aware of
3 ever indicate to Mr. Nussbaum that these investigations had
4 to be concluded very quickly?

5 A These investigations --

6 Q Concerning the Justice Department and the Park
7 Police investigations concerning Mr. Foster's death.

8 A I certainly don't recall my ever suggesting to
9 Mr. Nussbaum a time frame, prompt time line on these
10 matters you're referring to.

11 Q Do you know if anybody else suggested that?

12 A No, I'm not aware of any suggestion of that type.

13 MR. CHERTOFF: I have nothing further.

14 MR. CODINHA: I have nothing further.

15 MR. CHERTOFF: You have one concluding thing you
16 want to say?

17 MR. CODINHA: Yes. There's one thing I need to
18 add for the record. We are asking all witnesses please not
19 to discuss your testimony with anyone else other than your
20 personal counsel, and the reason we're doing that is each
21 and every person deposed will be asked who they spoke with
22 prior to their depositions and what was discussed. Thus

1 any discussions you may have with other deponents will be
2 made a part of the record in the investigation and could
3 conceivably prove embarrassing either to you or them and we
4 just add that caution. Obviously whether you do or not is
5 entirely up to you and take your counsel's advice on it.
6 And that's it.

7 MR. TAYLOR: Thank you.

8 (Whereupon, at 1:40 p.m., the deposition was
9 concluded.)

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THOMAS F. (MACK) MC LARTY

CERTIFICATE OF NOTARY PUBLIC & REPORTER

207

I, JULIE BAKER, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn; that the testimony of said witness was taken in shorthand and thereafter reduced to typewriting by me or under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and, further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.



Notary Public in and for the
District of Columbia

My Commission Expires SEPTEMBER 30, 1997

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September 12, 1994

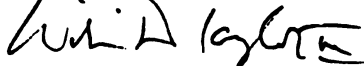
BY HAND

Mr. Douglas Epstein
Senate Committee on Banking,
Housing and Urban Affairs
Room SD 534 Dirksen Senate Office Building
Washington, DC 20510

Dear Mr. Epstein:

On behalf of Thomas F. McLarty, III, enclosed please find an errata sheet for his deposition before the Committee. Please contact me if you have any questions.

Sincerely yours,



William W. Taylor, III

WWT/bjm
Enclosure

cc: Mr. Thomas F. McLarty, III

e:\Attorney\lmb\5704\epstein.ltr

**Errata Sheet For Deposition of
Thomas F. ("Mack") McLarty, III
of July 21, 1994
Before The Senate Committee on
Banking, Housing and Urban Affairs**

<u>Page</u>	<u>Line</u>	<u>Correction</u>
24	19	"staff" should be "staff's"
25	2	delete the first "the"
40	18	"that" should be "at which"
46	10	insert "we" after "and"
89	10	"in" should be "on"
91	20	insert "a" after "from"
97	18	"written" should be "given"
100	18	delete the first "if"
105	14	replace the second "I" with "Mr. Gearan"
118	14	delete "have" at end of line
119	12	"blue" should be "blew"
129	19	insert "be an" after "would"
131	14	"to" should be "of"
138	3	"to" should be "of"
158	16	"allocation" should be "allegation"
158	18	insert "and" after "matter"
160	1	insert "It" before "literally"
164	7	insert "in" after "again,"
172	21	"great" should be "the right"
185	13	the second "press" should be "president"
186	3	insert ", " after "who"
190	19	"ask" should be "asked"
201	19	"that" should be "about whether"

THOMAS F. (MACK) McLARTY

Counselor to the President of the United States

White House Counselor to the President Thomas F. (Mack) McLarty is a lifelong friend of President Clinton, serving for 18 months as his Chief of Staff, and is the former chairman of the board and chief executive officer of Arkla, Inc., one of the nation's largest natural gas companies.

President Clinton and Mack McLarty met in kindergarten in their native town of Hope, Arkansas. Since that time, they have stayed in touch, personally as well as professionally, and have always referred to each other as "my oldest friend."

Student body president at the University of Arkansas at Fayetteville, McLarty, at age 23, was elected to the Arkansas House of Representatives. One of the youngest people ever to be elected to the Arkansas House, McLarty later went on to serve as chairman of the Arkansas State Democratic Party from 1974 through 1976. He was also treasurer in the successful gubernatorial elections of Senator David Pryor and President Clinton.

McLarty became the youngest person ever elected to the Arkla board in 1974, and was named president of Arkansas Louisiana Gas Company in 1983. McLarty was named chairman and chief executive officer of Arkla, Inc. in 1985 and held this position until being asked to serve as White House Chief of Staff after the election of President Clinton in 1992. During McLarty's tenure, Arkla was recognized by Forbes and Financial World magazines, as well as the Wall Street Transcript, as one of the nation's most innovative companies in the natural gas industry. Additionally, he was personally recognized on several occasions as one of the natural gas industry's most outstanding chief executive officers.

Under McLarty's leadership, Arkla was praised for its efforts to promote minority business growth and to enhance the company's efforts to employ minorities. For these efforts, McLarty received a Fair Share Award in 1991 from the NAACP. McLarty also led Arkla's efforts to preserve natural resources, and in 1991, Arkla received the first ever Corporate Stewardship Award from the U.S. Fish and Wildlife Service for its environmental sensitivity and cooperation with many national and local environmental groups during the construction of a major pipeline project.

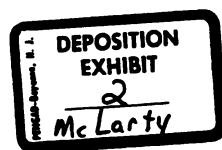
In addition to his work for Arkla, McLarty helped transform a five-generation family business, McLarty Companies, into one of the South's largest transportation companies, with interests ranging from truck leasing to automobile dealerships.

Despite his national success, McLarty has always remained a devoted advocate of economic and civic development in his home state of Arkansas. He was particularly active in the Arkansas public school system, and was instrumental in establishing a program to bring computers into the public school classrooms.

McLarty is married to Donna Cochran, also a native Arkansan and graduate of the University of Arkansas at Fayetteville. They have two sons, Mark, a student at Georgetown University, and Franklin, a student at New York University. During her years in Little Rock, Arkansas, Donna was very active in community affairs and served on the board of directors for the Centers for Youth and Families and as a member of the Little Rock Airport Commission.

In 1991, the McLartys were recipients of the Humanitarian Award from the Arkansas Chapter of the National Conference of Christians and Jews (NCCJ). They are members of the Pulaski Heights United Methodist Church in Little Rock.

Revised July 1994



**DEPOSITION OF BETH NOLAN
IN RE: S. RES. 229**

THURSDAY, JULY 21, 1994

**U.S. SENATE,
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
Washington, DC.**

Deposition of BETH NOLAN, called for examination pursuant to notice of deposition, at 2:30 p.m. in Room SC-06 of the Capitol, before BRENDA M. SMONSKEY, a Notary Public within and for the District of Columbia, when were present:

NEAL E. KRAVITZ, Esq.
Majority Deputy Special Counsel
DOUGLAS EPSTEIN, Esq.
Majority Counsel
JOSEPH G. BRAUNREUTHER, Esq.
Minority Deputy Special Counsel
JAMES C. WILSON, Esq.
Republican Counsel
Committee on Banking, Housing, and Urban Affairs
U.S. Senate
On behalf of the Committee.

RANDALL J. TURK, Esq.
JOHN BENTIVOGLIO, Esq.
Miller, Cassidy, Larroca & Lewin
2555 M Street, NW
Suite 500
Washington, DC 20037
On behalf of the Deponent.

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EXHIBITS

Beth Nolan	
DEPOSITION NUMBER	IDENTIFIED
Exhibit 1 (S. RES. 229)	3, 155

1 PROCEEDINGS

2 Whereupon,

3 BETH NOLAN

4 was called as a witness and, having first been duly sworn,
5 was examined and testified as follows:

6 (Nolan Exhibit 1 identified.)

7 EXAMINATION

8 BY MR. KRAVITZ:

9 Q Ms. Nolan, would you please state your full name
10 for the record.

11 A Beth Nolan.

12 Q My name is Neal Kravitz and I am the deputy
13 special counsel on the majority side to the Senate Banking
14 Committee. As you know, you are here today for a
15 deposition that has been authorized by Senate Resolution
16 229, which we have marked as Exhibit 1 to the deposition.17 Before we start, I want to give you -- make a few
18 points about how the deposition will be conducted. I think
19 we have talked about some of these off the record before we
20 started. I will be asking you questions first on behalf of
21 the majority Senators on the committee, and then
22 Mr. Braunreuther will be asking questions on behalf of the

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1 Republican members of the Senate committee.

2 If at any point during the deposition we ask you
3 a question that you don't understand, please ask us to
4 rephrase the question or to clarify the question before you
5 answer it. We don't want you answering questions that you
6 don't understand. If at any point during the deposition
7 you would like to go back to a previous answer that you
8 have given and add to it or change it in any way, that's
9 fine. Just tell us that you would like to do that. We can
10 jump back to any answer that you have given previously.

11 Do you understand those instructions?

12 A Yes.

13 Q The record should reflect that you have two
14 lawyers here and I want you to understand that if at any
15 point during the deposition you would like to confer with
16 either of your attorneys, that's your right and you should
17 just let us know. We will go off the record and you can
18 confer with your lawyers in private. Okay?

19 A Yes.

20 Q As we have discussed off the record, a transcript
21 of the deposition will be prepared probably within one to
22 two days of the end of the deposition. You will have a

5

1 right to review that transcript pursuant to arrangements
2 that are made by the Senate committee.

3 I will note for the record that Mr. Turk has
4 requested that a transcript be provided to you and to him.
5 I have advised Mr. Turk that I don't think that that is
6 going to be a possibility, but we can certainly talk about
7 that when the issue comes up.

8 My prediction is that you will be asked to
9 testify as a witness at the hearings before the Senate
10 committee which are scheduled to begin sometime before July
11 29, 1994. So you probably will want to review your
12 transcript before then. We will be getting in touch with
13 you as soon as we know what the hearing schedule is to let
14 you know whether you are going to be asked to testify.

15 Do you have any questions, any further questions
16 about the deposition before we start?

17 A No.

18 Q Ms. Nolan, where are you employed?

19 A I am employed at the White House.

20 Q In what capacity?

21 A I am associate counsel to the President.

22 Q How long have you held that position?

6

1 A I have held that position for just about 18
2 months, since February 1993.

3 Q Where were you employed before that?

4 A At the National Law Center, George Washington
5 University. I am on leave from George Washington, where I
6 am a law professor.

7 Q Do you have a specialty, a field of
8 specialization that you teach as a law professor?

9 A My field of specialization from research and
10 writing, and I also teach a course in it, is government
11 ethics. I also teach constitutional law and professional
12 responsibility and ethics.

13 Q How long have you been teaching government
14 ethics?

15 A I have taught the course itself once, but I have
16 taught aspects of it in the professional responsibility
17 course, and I have written about it more extensively.

18 Q What publications or what articles have you
19 written about the subject of government ethics?

20 A I have written an article in the Northwestern Law
21 Review about outside income for government officials. I
22 have written an article in the Georgetown Law Journal about

1 conflicts of interest and independent counsels. I have
2 written the introduction to a government ethics symposium
3 in the George Washington Law Review. I have also written
4 several other shorter pieces in practitioners manuals about
5 aspects of government ethics.

6 Q Do you have a list of your publications relative
7 to government ethics that you could provide to the
8 committee?

9 A I do.

10 Q Would you provide that to us?

11 A Yes.

12 Q Thank you.

13 How long have you been a professor at George
14 Washington Law School?

15 A Since 1985.

16 Q If you could just briefly tell us what your
17 professional experience was before 1985.

18 A Yes. I graduated from law school in 1980. From
19 1980 to '81, I was a clerk for Judge Seit in the 3rd
20 Circuit. From 1981 to '85, I was a staff attorney in the
21 office of legal counsel at the Department of Justice.

22 Q What are your duties and responsibilities as an

1 associate counsel to the President?

2 A First of all, I am designated as the alternate
3 designated agency ethics official. Every agency has a
4 designated agency ethics official, a DAEO. Every agency
5 has an alternate DAEO. The counsel to the President serves
6 as the DAEO to the White House. I am the associate counsel
7 who is designated as alternate DAEO. I have general
8 responsibility for ethical issues in the White House.

9 Q You have general responsibility even over and
10 above the responsibility of the counsel to the President?

11 A I'm sorry? I don't understand the question.

12 Q You testified that the counsel to the President
13 is the designated agency ethics officer and that you are
14 the alternate designated agency ethics officer.

15 A That means I am really delegated to act as the
16 designated agency ethics official. The counsel to the
17 President also may so act, but I am able to act in the
18 place of the designated agency ethics official.

19 Q Are you able to make final ethical decisions
20 within the White House without running them past the
21 counsel to the President?

22 A I am able to do that, yes.

1 Q Do you do that on a regular basis?

2 A I do do that. I also do it so that I run it by
3 the counsel to the President. Both occur.

4 Q I think I interrupted you in the middle of an
5 answer.

6 A I'm sorry. I don't remember where.

7 Q You were describing your duties and
8 responsibilities as associate counsel and you started by
9 talking about the fact that you were the alternate DAEO.

10 A That's right. So I have general responsibility.
11 That includes training, overseeing training, financial
12 disclosure, conflicts of interest assessment, general
13 ethics advice within the White House. I also am
14 responsible for review of Presidential nominees in both
15 their background investigations, the vetting operation. I
16 supervise all that, the vetting operation, background
17 investigations, conflict of interest reviews of nominees
18 and appointees throughout the executive branch.

19 Q What kind of training in government ethics have
20 you provided to members of the White House staff?

21 A We really have two forums. One is that upon
22 entry last year, we ran hour-long training sessions which

10

1 included a video that the Office of Government Ethics had
2 produced and general discussion afterwards. For those
3 people who file financial disclosure reports, we also
4 review their financial disclosure reports and frequently
5 will have discussions with them or send them memos
6 reminding them of particular ethical issues that may have
7 arisen as a consequence of the review of the report.

8 Q Did any of the training that was provided to all
9 new White House staff involve anything having to do with
10 the subject of communications between White House staff and
11 staff of independent agencies?

12 A Not in any detail. I think we may have
13 referenced that there were memoranda about that, but it did
14 not include any detailed training on the matter.

15 MR. KRAVITZ: Off the record.

16 (Discussion off the record.)

17 BY MR. KRAVITZ:

18 Q Ms. Nolan, you just said something about making
19 brief references during these training sessions to some
20 memoranda that were in the White House on the subject of
21 intragovernmental communications. I want to show you four
22 documents. The first is at Bates stamp numbers Y1 through

11

1 Y7. It is a February 22, 1993 memorandum from Bernard
 2 Nussbaum and Steven Neuwirth. The second is at Bates stamp
 3 number Y8 through Y10 and is a March 9, 1993 memorandum
 4 from Mr. Nussbaum and Mr. Neuwirth. The third is a May 4,
 5 1993 memo from Mr. Nussbaum and Mr. Neuwirth, Bates stamps
 6 Y11 through Y12. The fourth and final memo is Bates stamps
 7 Y13 through Y15 and is a July 2, 1993 memo from
 8 Mr. Nussbaum and Mr. Sloan.

9 I would ask you to take a look at those four
 10 documents and tell us if those are the memos that you were
 11 referring to.

12 (Witness examined the document.)

13 A Yes, with this understanding: I don't believe I
 14 would have had the dates or specific memos in mind as much
 15 as reminding people that there would be policies.

16 Q Are you familiar with the four memos that I just
 17 handed to you?

18 A I am aware of them.

19 Q Are you aware of any additional memoranda within
 20 the White House that have been prepared for White House
 21 staff on the subject of communications and contacts between
 22 White House staff and the staff of independent agencies?

12

1 A I am not aware of any.

2 Q To your knowledge, do these four memoranda that I
 3 have just shown you, Bates stamps Y1 through Y15, set forth
 4 formal White House policy on the subject of contact or
 5 communication between White House staff and the staff of
 6 independent agencies as of, at least as of the date of the
 7 final memorandum, July 2, 1993?

8 A I'm not sure what you mean by "formal White House
 9 policy."

10 Q Is it the word "formal"?

11 A Right.

12 Q Do these four memoranda taken together set forth
 13 White House policy on the subject of permitted and
 14 prohibited communications between White House staff members
 15 and staff members of independent agencies as of the date of
 16 the final of these four memoranda, which is July 2, 1993?

17 A That was my understanding, yes.

18 Q And your understanding in that regard is based on
 19 what?

20 A That the memos I believe state -- I am not
 21 familiar enough and I haven't reviewed them enough to say
 22 this for sure. But I believe they explain that they are

1 setting forth policy for White House staff members.

2 Q You described some one-hour training sessions
3 that you provided for new White House staff. Were those
4 sessions provided for all new staff members at the White
5 House?

6 A Yes.

7 Q They were mandatory?

8 A The Office of Government Ethics requires that new
9 government employees receive ethics training. That does
10 not have to be received in a particular way. It wouldn't
11 have to be that session. It could be accomplished by
12 ensuring that a person gets a copy of the standards of
13 conduct. In some cases we have made the video available to
14 people. But the normal method would be to attend the
15 training session.

16 Q Is there any ongoing training in government
17 ethics that you or others at the White House have provided
18 since these initial training sessions?

19 A Each calendar year there is additional training.

20 Q And on any particular subjects?

21 A That's up to the agency ethics official to
22 determine what areas need to be covered. You file a

1 general training plan with the Office of Government Ethics
2 setting forth your general intentions with respect to
3 training.

4 Q Have you provided additional training in 1994?

5 A We are preparing our training now.

6 Q In your role as the alternate designated agency
7 ethics officer at the White House, do you have regular
8 contact with DAEOs in other executive branch agencies?

9 A Yes.

10 Q Could you explain or describe the contact that
11 you have with DAEOs on a regular basis in other executive
12 branch agencies.

13 A Yes. I speak with ethics officials in other
14 agencies on a number of matters that might arise in the
15 agencies in which they seek White House advice or guidance,
16 in which there are questions of administration policy, in
17 which they may simply be asking for my assistance or advice
18 in interpreting a particular provision.

19 I also speak with them with respect to potential
20 nominees and their possible conflicts of interest, recusal
21 issues that may come up with nominees.

22 I also speak with them about general policy

15

1 matters or legislation that may be pending if they have
2 particular views which they wish to express to the White
3 House.

4 Q To your knowledge, are you viewed as a leader
5 among DAEOs throughout the government, either as a result
6 of your own experience or as a result of your position as
7 DAEO at the White House?

8 A I can't be sure how I am viewed. I would like to
9 think so.

10 Q Did you attend a meeting at the White House
11 between White House officials and Treasury Department
12 officials on September 29, 1993 that had anything to do
13 with Madison Guaranty Savings & Loan or the Whitewater
14 Development Corporation?

15 A No.

16 Q Did anyone contact you before that meeting
17 occurred on September 29, 1993 and ask you whether there
18 were ethical reasons why that meeting should not occur?

19 A No.

20 Q No one sought your advice or your clearance for
21 that meeting?

22 A No.

16

1 Q Did you attend a meeting at the White House on
2 October 14, 1993 between Treasury Department officials and
3 White House officials related again to the subject of the
4 Madison Guaranty Savings & Loan and Whitewater?

5 A No.

6 Q Did anyone consult you before October 14, 1993
7 and ask you whether it was ethically appropriate or
8 advisable for that meeting to go forward?

9 A No.

10 Q Did you attend a meeting at the White House on
11 February 2, 1994 between White House and Treasury
12 Department officials relating to Madison Guaranty and
13 Whitewater?

14 A No.

15 Q Did anyone consult you before that meeting and
16 ask whether it was ethical and proper to hold that meeting?

17 A No.

18 Q Did you attend a meeting at the White House
19 between Treasury Department and White House officials on
20 February 3, 1994 relating to Madison Guaranty and
21 Whitewater?

22 A No.

17

1 Q Did anyone consult you ahead of time and ask you
2 whether that meeting was appropriate within the meaning of
3 the ethics rules?

4 A No.

5 Q At other times have you been consulted on ethical
6 issues and asked for ethical clearance, asked for an
7 ethical clearance before something that was planned would
8 actually go forward?

9 A Yes, but with the understanding that I was not
10 the lawyer who worked on the contacts, memos, and so I was
11 not the primary.

12 Q Let me rephrase the question. I think that was a
13 poorly phrased question. I'm asking really a more general
14 question, not focused on contacts between Treasury or RTC
15 officials and White House officials, but just in the course
16 of your work as the alternate DAEO at the White House, do
17 people come to you and seek ethical clearance or permission
18 for them to do something?

19 A Yes.

20 Q Can you tell us just as a general matter how that
21 works or how that is really supposed to work?

22 A Well, I will tell you as a general matter, though

18

1 I don't believe I am in a position to talk about specific
2 cases.

3 Q I am not asking you to.

4 A As a general matter, if someone has a question
5 about whether they should have a meeting with a particular
6 agency, they might call me. They might call other lawyers
7 in the office. That is not clearly an issue that they
8 would raise with me. So I might get the call; I might
9 not.

10 Q Do you tell White House staff members as part of
11 the initial training session you described that if they
12 have questions about ethics, that they should contact you
13 or other people knowledgeable in the field of ethics before
14 doing whatever it is that they are not sure they are
15 allowed to do?

16 A Yes.

17 Q Do you encourage people in that position to
18 provide as many relevant facts and circumstances to the
19 ethics official so that the ethics official can make the
20 best informed decision possible?

21 A As part of the general invitation, no. We simply
22 say you should contact someone in the counsel's office if

1 you have a question.

2 Q When someone is consulting you on an ethics
3 issue, do you ordinarily encourage the person to provide as
4 many relevant facts and circumstances as possible?

5 A If it is someone in the White House who is asking
6 me a specific question, yes, I will try to get the facts
7 relevant to that question.

8 Q Would you agree that as a general matter, an
9 ethics official is most likely to give a well-informed and
10 correct ethics opinion if she has been provided with all of
11 the relevant facts and circumstances surrounding the
12 ethical problem?

13 A Yes. But I would just add to that that there may
14 be times when what you are being asked is a question in
15 which factual issues don't matter so much. So you really
16 have to look at each question and determine whether this is
17 one where you need a lot of factual development or not.

18 Q Are you familiar with a man named Dennis Foreman
19 who works at the Department of the Treasury?

20 A I am.

21 Q What is your understanding as to Mr. Foreman's
22 position at the Treasury Department?

20

1 A My understanding is Mr. Foreman is the ethics
2 official at the Treasury Department.

3 Q Do you also know Mr. Foreman to be the deputy
4 general counsel for the Department of Treasury?

5 A I wasn't sure of his exact title.

6 Q When did you first have communications with
7 Mr. Foreman? When did you first meet Mr. Foreman?

8 MR. TURK: Answer that if you can without --

9 MR. KRAVITZ: Without indicating what the reason
10 was.

11 MR. TURK: Without indicating the circumstances
12 if it is not related to this inquiry.

13 MR. KRAVITZ: Thank you.

14 THE WITNESS: Sometime early in my tenure at the
15 White House, I had conversations with Mr. Foreman on other
16 matters.

17 BY MR. KRAVITZ:

18 Q Have you ever met Mr. Foreman in person?

19 A I don't know.

20 Q When was the first time that you had any
21 communication or contact with Mr. Foreman related to any
22 issue involved in the Madison/Whitewater matter?

21

1 A That would be the phone call I had with him on
2 February 4.

3 Q Were you expecting to hear from Mr. Foreman at
4 that time?

5 A Yes.

6 Q How was it that you were expecting to hear from
7 Mr. Foreman?

8 A Mr. Nussbaum had told me he would like me to
9 speak with Mr. Foreman.

10 Q When did Mr. Nussbaum give you this information?

11 A The evening before.

12 Q February 3?

13 A That's correct.

14 Q Where did you have this conversation with
15 Mr. Nussbaum on February 3?

16 A He telephoned me. I was on my way home. I got a
17 page. So I returned the call.

18 Q What did Mr. Nussbaum tell you?

19 A Mr. Nussbaum told me that the issue of
20 Mr. Altman's recusal had come up, that he wanted to know if
21 I thought Mr. Altman had to recuse himself. I think he
22 mentioned the concern that Mr. Altman was acting CEO of the

22

1 RTC, that that was one thing prompting the inquiry.

2 Q Do you mean by that the fact that Mr. Altman was
3 acting, as opposed to permanent CEO?

4 A Correct.

5 Q What did you understand that distinction to be
6 about?

7 A I didn't really at the time. I'm trying to
8 recollect as best as I can. I don't have any notes of this
9 phone conversation. He indicated that he wanted me to
10 speak with Dennis Foreman, so he told me that Dennis
11 Foreman would be looking at the issue. He indicated that
12 he would like me to speak with Dennis Foreman about the
13 matter. He indicated if Mr. Altman should recuse himself,
14 he should recuse himself, but he wanted it decided right.

15 At one point he had to hang up to take another
16 call. So it was over a couple of phone calls. But it was
17 about 10 or 15 minutes that we spoke. We agreed that I
18 would speak with Dennis Foreman in the morning. He
19 indicated that he was concerned. He was very concerned
20 that Mr. Altman's recusal decision be made correctly, and
21 he was concerned about the alternate decisionmakers at the
22 RTC.

23

1 Q You mentioned at the beginning of your answer
2 that Mr. Nussbaum told you that the issue of recusal, of
3 Mr. Altman's recusal had come up. Did Mr. Nussbaum tell
4 you during this series of telephone conversations you had
5 with him on February 3 in what context the issue of
6 Mr. Altman's recusal or possible recusal had come up?

7 A I don't recall if he did. I don't remember that
8 he did.

9 Q You also mentioned toward the end of your answer
10 that Mr. Nussbaum was very concerned about who would be --
11 I think you said was very concerned about who would be
12 making decisions at the RTC in the event of Mr. Altman's
13 recusal. What exactly did Mr. Nussbaum say on that
14 subject, to the best of your memory?

15 A He indicated that he knew I think the general
16 counsel and the deputy CEO from private practice and they
17 were new to the job at the RTC. He was concerned about a
18 fair decision being made.

19 Q If they were left in charge as a result of
20 Mr. Altman's recusal?

21 A That's what I understood.

22 Q Did Mr. Nussbaum elaborate at all as to why he

24

1 was concerned about whether the general counsel and the
2 deputy CEO would be able to make a fair decision?

3 A Simply that he had had experience -- had had a
4 bad experience with them in private practice.

5 Q Did Mr. Nussbaum tell you that he had had a bad
6 experience with Ellen Kulka, the general counsel at the
7 RTC?

8 A I think that's right. The name wasn't familiar
9 to me. I think that's correct.

10 Q Did Mr. Nussbaum tell you that that bad
11 experience was in the context of Mr. Nussbaum's
12 representation of the law firm of Kaye, Scholer?

13 A That's correct.

14 Q In a dispute that Kaye, Scholer had had with the
15 Office of Thrift Supervision?

16 A That's correct.

17 Q What exactly did Mr. Nussbaum say when he was
18 telling you that he had had a bad experience with
19 Ms. Kulka?

20 A I think he said something about it being terrible
21 and something about fairness, being concerned about
22 fairness. It was a relatively brief reference. It wasn't

1 something that was belabored in our conversation.

2 Q Did Mr. Nussbaum tell you during this
3 conversation or this series of conversations on February 3
4 that he thought Ms. Kulka had been unfair during the Kaye,
5 Scholer litigation?

6 A I don't remember specifically that he said that.

7 Q Did Mr. Nussbaum say anything that gave you the
8 impression that that was Mr. Nussbaum's opinion of
9 Ms. Kulka's conduct during the Kaye, Scholer litigation?

10 A That is clearly the impression I took away, that
11 his concern about fairness came from his prior experience
12 with her in the Kaye, Scholer litigation.

13 Q Did Mr. Nussbaum -- strike that.

14 I think you testified that Mr. Nussbaum also said
15 during these conversations you had with him on February 3
16 that he was familiar with the deputy CEO from private
17 practice as well. Did I hear you right?

18 A I'm not sure. I thought there were two people he
19 was familiar with. I'm not sure that he actually said. I
20 couldn't testify who he indicated.

21 Q Does the name Jack Ryan mean anything to you?

22 A That, I believe, is the deputy CEO.

1 Q And you remember that Mr. Nussbaum said something
2 about Mr. Ryan also, but am I right that you don't remember
3 exactly what it was right now?

4 A Yes. I'm not absolutely positive he said
5 something. It is hard for me to know what I constructed
6 afterwards and what he said then.

7 Q Is it fair to say that your impression, based on
8 these telephone calls with Mr. Nussbaum on February 3, was
9 that Mr. Nussbaum was concerned about both Ms. Kulka and
10 Mr. Ryan being charged of the Madison-related
11 decisionmaking at the RTC?

12 A It is fair to say he was concerned about whoever
13 it was that was going to be left in charge. I just can't
14 be sure.

15 Q What was Mr. Nussbaum's tone of voice when he was
16 stating these concerns that he had about Ms. Kulka and
17 possibly about Mr. Ryan?

18 A I'm not sure. When you say "tone of voice," do
19 you mean --

20 Q Was he talking fast, was he talking loud?

21 A Have you talked to Bernie yet?

22 Q I have heard a lot about him.

1 A He talked fast but that wouldn't distinguish it.

2 Q That didn't mean anything, right?

3 A Right.

4 Q Let me ask it this way. Was there anything about
5 Mr. Nussbaum's tone of voice or about his demeanor as far
6 as you could discern over the telephone that made you think
7 that he was particularly concerned about this issue?

8 A He was definitely concerned. This was an
9 important matter to him. That was conveyed, I think, in
10 his tone.

11 Q Did Mr. Nussbaum say anything about his having a
12 preference that Mr. Altman not recuse himself?

13 A He said if he should recuse, then of course he
14 should recuse. But if he shouldn't recuse, then he
15 shouldn't recuse, and I want to make sure this is decided
16 right.

17 Q What did you understand Mr. Nussbaum to mean when
18 he used the word "should" in "should recuse"? Did you
19 understand that to mean that if the law required recusal,
20 then he should recuse, as opposed to situations where the
21 law leaves the decision to an official's discretion?

22 A No. I understood him to mean that he wanted to

1 be sure that whoever was looking at this was going to look
2 at it right and that there wasn't going to be sort of an
3 immediate decision, oh, somebody has raised the issue, of
4 course recuse, that somebody was really going to look at
5 the issue and say should Mr. Altman recuse or not.

6 Q Mr. Nussbaum made it clear to you, directly or
7 indirectly, that his preference, at least as to the bottom
8 line, was that Mr. Altman not recuse himself?

9 A Mr. Nussbaum made clear to me in terms of what he
10 wanted me to do was to make sure that the decision was
11 going to be made correctly. That's how I understood it.

12 Q Did you understand that the RTC was at that time
13 investigating Madison Guaranty Savings & Loan and that
14 that's what this was all about?

15 A I understood that it involved Madison Guaranty,
16 yes.

17 Q Did you understand that that investigation could
18 potentially have an impact both on the President and
19 Mrs. Clinton individually and on the future functioning of
20 the White House?

21 A I understood that it was a matter that touched
22 upon the President and Mrs. Clinton, yes.

1 Q Just as a matter of ethics, did you think that it
2 was appropriate for the White House counsel's office to be
3 involved in the decision whether or not Mr. Altman should
4 recuse himself?

5 A I certainly thought it was appropriate for me to
6 have discussions with the Treasury ethics official about
7 the recusal decision, yes.

8 Q Would it have been appropriate for you to be the
9 person making the decision as to whether the ethics rules
10 permitted Mr. Altman to stay on the Madison matter at the
11 RTC?

12 A I didn't ever look at that question, whether it
13 would. So I can't answer that.

14 Q What do you think about that?

15 A I would be speculating. I would have to go back
16 and sort of think things through again and look at all the
17 facts that I don't have now and didn't have.

18 Q What facts would be -- what would you look at?
19 What would be the relevant factors to be considered in
20 answering that question?

21 A I don't even think I can do that off the top of
22 my head. If somebody asked me that question, I would sit

1 down and try to think it through and maybe talk to some
2 other people about it.

3 Q When you had your conversations with Mr. Nussbaum
4 on February 3, 1994, did Mr. Nussbaum indicate whether
5 Mr. Altman was leaning in one direction or another?

6 A No.

7 Q Did you ask him?

8 A I don't believe so.

9 Q Is there anything else that you talked about with
10 Mr. Nussbaum during these conversations about this subject
11 that you can remember but you haven't told us?

12 A I can't recall anything.

13 Q You said that you then talked to Mr. Foreman the
14 next morning?

15 A That's correct.

16 Q Did you call him or did he call you?

17 A He called me.

18 Q To the best of your recollection, what was said
19 during that first conversation? This would have been
20 February 4?

21 A This would have been February 4; that's correct.
22 Again, to the best of my recollection, Mr. Foreman

1 mentioned to me, I believe, there was a letter from
2 Congressman Leach which had asked Mr. Altman to consider
3 recusing himself, mentioned to me that he saw it in three
4 categories of issues, the first being the Vacancy Act,
5 which is really the question whether there is something
6 different about Mr. Altman's position because he was
7 serving as interim CEO rather than as one who was confirmed
8 for that position, whether that in any way altered his
9 ability to decide a matter. Secondly, what the standards
10 and laws might require in terms of disqualification; and
11 thirdly, an appearance or discretionary recusal issue.

12 Then he discussed briefly those three categories,
13 indicating that the vacancy issue had been generally, not
14 with respect to this matter as I understood it, but
15 generally the vacancy issue had been well researched and
16 thought through with the office of legal counsel when
17 Mr. Altman was appointed.

18 Q How had that been decided?

19 A Simply that an interim or an acting person under
20 the Vacancy Act has the full authority of that position so
21 that it was perfectly proper for Mr. Altman to be serving
22 in the position under the Vacancy Act. That's all I

1 remember him saying about that.

2 We discussed briefly the rules and standards on
3 the theory that what we were talking about was a claim that
4 because Mr. Altman was a political appointee of the
5 President's, he ought to recuse himself from the matter. I
6 was particularly concerned about the standards of conduct
7 or laws not being interpreted to require the recusal of a
8 political appointee every time a matter touches the White
9 House.

10 Q Wasn't there another issue, which was that
11 Mr. Altman not only was a political appointee but a close
12 personal friend?

13 A He mentioned that. Really it was just sort of
14 outlining what the issues were at that point. I believe in
15 that conversation he mentioned the -- I know he did
16 later -- the friendship issue. Then on the appearance or
17 sort of discretionary recusal standard, we didn't really
18 discuss that. I'm not sure we discussed it at all other
19 than to identify it and to suggest that those were not
20 issues he and I were going to discuss.

21 Q What was your discussion with Mr. Foreman on that
22 morning, February 4, on the subject of what the standards,

1 the government standards required or didn't require in this
2 situation?

3 A Well, it was our preliminary view that there was
4 nothing mandatory, there was no mandatory recusal
5 requirement either from political appointment or
6 friendship. But he told me that it was his plan that he
7 would get in contact with the agency ethics official at the
8 RTC and with the Office of Government Ethics to make sure
9 that either there were no special RTC rules that would
10 change that conclusion or that the Office of Government
11 Ethics didn't have a different view, either supported that
12 view or had a different view, whatever it was.

13 So it was really a preliminary assessment of the
14 situation. My concern was really an institutional concern,
15 that we not set a recusal standard that would disable
16 political appointees throughout the executive branch from
17 working on matters that affect the White House in some way
18 or that touch upon the President. So that's what I was
19 focusing on: Is there a process in place so that this
20 decision is going to be made soundly and without a
21 precedential effect that could be disabling to the executive
22 branch.

1 Q Couldn't you have avoided having a disabling
2 precedential effect by, say, if the decision required
3 recusal, by basing that decision on the fact that it was a
4 close personal friendship as opposed to on the fact of a
5 political appointment?

6 A That wouldn't have been part of the mandatory
7 recusal requirement. On the appearance sort of political
8 standard, that was one that, except for being aware that
9 they were considering that one I didn't really have any
10 involvement in.

11 Q Did Mr. Foreman tell you on February 4, 1994 that
12 he had previously recommended that Mr. Altman recuse
13 himself?

14 A I don't recall that he did.

15 Q Were you aware that Jean Hanson, the general
16 counsel for the Treasury Department, had also recommended
17 to Mr. Altman that he recuse himself?

18 A No.

19 Q Were you aware that Secretary Bentsen had
20 approved the recommendation that Mr. Altman recuse himself?

21 A No.

22 Q Was there some sense of urgency about

1 Mr. Foreman's telephone call to you on February 4?

2 A Well, I got a message from him that indicated
3 urgency. I understood it simply that he had been asked to
4 speak with me that morning and he wanted -- I sometimes am
5 deluged with phone calls and am not always one to return a
6 phone call within five minutes. He may have been aware of
7 that.

8 Q When you spoke with Mr. Nussbaum on the evening
9 of February 3, did Mr. Nussbaum indicate to you what time
10 frame he was hoping a decision would be made within?

11 A No. He indicated that he wanted me to speak with
12 Mr. Foreman quickly, but I wasn't aware of any deadline.

13 Q You don't have any memory of any discussion with
14 Mr. Nussbaum about the fact that the statute of limitations
15 for civil claims was to run on February 28, 1994 and that a
16 decision on the recusal probably should be made as soon as
17 possible?

18 A I don't recall any discussion.

19 Q How many telephone calls or conversations did you
20 have with Mr. Foreman on February 4, 1994?

21 A There were two.

22 Q Have you told me everything that you can remember

1 about the first telephone conversation? I should tell you,
2 I'm not trying to trick you. I have your notes here. If
3 you want to review them, I'm happy to pass them across the
4 table.

5 MR. TURK: Will you do that after she answers the
6 question anyway?

7 MR. KRAVITZ: I will.

8 THE WITNESS: Yes. As I remember the
9 conversation, mainly Mr. Foreman outlined three issues,
10 indicated his plan for addressing the issues, and that's
11 the basic -- it was probably a 15-minute phone call or so.
12 But that was the general.

13 BY MR. KRAVITZ:

14 Q Let me show you what has been marked as X 000750
15 from the set of documents that the White House has produced
16 to us. It is attached to some other pages. I actually
17 think that only page 750 is your notes related to this
18 first telephone call. Feel free to look through the other
19 pages there and tell me if I'm wrong.

20 (Witness examined the document.)

21 A Yes, the first phone call is only on this page.

22 Q If you would, I would like you to take a minute

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1 just to look through your notes. Let me ask you this. Are
2 those notes that you took during your first telephone call?

3 A Yes.

4 Q The first call with Mr. Foreman?

5 A That's correct.

6 Q If you would look through those notes and tell us
7 whether they refresh your memory as to anything that was
8 discussed with Mr. Foreman that you haven't already told us
9 about.

10 A Yes. At some point in the conversation -- it is
11 not clear from the notes -- Mr. Foreman mentioned that he
12 was making clear that we were looking only at the
13 procedural issues. The notes indicate here not the merits
14 of the tolling issues or any substantive issue, and our
15 conversation was purely regarding the ethics issue. My
16 notes indicate that I agreed, indicating that the purpose
17 of the phone call was to make sure an ethics decision
18 regarding a presidential appointee was made correctly.
19 Also the notes indicate that Dennis suggested
20 that one thing he was thinking about was that maybe the
21 decisions would never have to reach the CEO because maybe
22 they didn't have to go to the CEO and therefore the recusal

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1 decision would never have to be made. So he just raised
2 that as something he was thinking about. That was
3 something he was going to look at.

4 Q Did you interpret that as meaning that perhaps
5 the decisionmaking on the Madison case could be made on a
6 level below the CEO?

7 A I think that's how I understood it. But it
8 wasn't an issue that I would have any expertise on or any
9 particular interest in. He mentioned it.

10 Q That would be an internal matter at the RTC?

11 A That's correct, that's correct.

12 He indicated again that he intended to call Steve
13 Potts, who is the director of the Office of Government
14 Ethics, and Art Kucinski, who is the DAEO for RTC, and
15 Ellen Kulka, who would be his boss.

16 Q The general counsel?

17 A That's correct.

18 The notes indicate also that he mentioned that
19 when he spoke with them, with OGE and RTC, he would be
20 presenting to them a legal question, is there anything that
21 requires Mr. Altman's recusal.

22 He also indicated he saw no legal issue with the

1 Vacancy Act, no ethical issue it says with
2 responsibilities, and the personal appearance issue he
3 indicated "not inclined." I believe that was not inclined
4 to participate. But then he indicated the underlying work
5 hasn't been done. There is nothing on his desk today,
6 nothing that has to be decided today so a recusal decision
7 doesn't have to be made today.

8 Q As of the time of your telephone conversation
9 with Mr. Foreman, this first telephone conversation with
10 Mr. Foreman on February 4, what did you understand to be
11 the nature of the personal relationship between Mr. Clinton
12 and Mr. Altman?

13 A I really didn't know very many facts about that.
14 I considered that in the third category of discretionary
15 recusal that Mr. Foreman was going to discuss with
16 Mr. Altman, perhaps discuss with OGE.

17 Q Can you describe to us how an ethics official
18 approaches this third category that you referred to, the
19 discretionary category? What is that all about?

20 A Well, I can try. The ethics area, there are some
21 very specific and clear rules about recusal. But for the
22 most part what you are talking about are areas in which you

1 are making judgments. When you are in this area, the
2 standards of conduct and the rules do not set forth
3 personal friendship, even close personal friendship, as a
4 basis that triggers the consideration of recusal. But it
5 is a factor that could be considered. But the Office of
6 Government Ethics rejected, when it promulgated these
7 rules, had rejected that as a category the way a member of
8 one's household triggers the process. It doesn't trigger
9 automatic recusal, but it triggers the consideration
10 process.

11 So, when you are in that territory then, you are
12 really balancing a number of factors. You are trying to
13 balance the appearances that arise from a reasonable person
14 sort of aware of all the facts, what might they think of
15 the situation, against the institutional interest, the
16 executive branch's interest, the agency interest in having
17 this person participate in the matter. You sort of are
18 always in tension with those two things. You want
19 government officials to do their jobs when they can. You
20 don't want them overrecusing so that government isn't
21 operating efficiently. On the other hand, where there are
22 serious questions, you want people to make careful

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1 consideration about whether they should recuse. You are
2 engaging in a balancing of various factors.

3 Q And your testimony is that, at least in this
4 first conversation with Mr. Foreman on February 4, you and
5 he did not discuss in any great length the application of
6 the discretionary recusal category to Mr. Altman's
7 situation?

8 A That's correct. I think he raised it as an issue
9 and indicated if we had views on that, we might want to
10 share them with Ms. Hanson, but we weren't going to discuss
11 them in our discussion.

12 Q Tell me if this is a correct statement. I am
13 trying to understand all this. In some circumstances an
14 appearance of a conflict such as an official making a
15 decision about a member of his household automatically
16 triggers recusal?

17 A No.

18 Q Automatically --

19 A Triggers consideration of recusal. What it does
20 under the governmentwide standards of conduct, if you have
21 a covered relationship, and you would have a covered
22 relationship with someone who is a member of your

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1 household, if that person is a party or represents a party
2 in a particular government matter, you are supposed to
3 consider whether a reasonable person would question your
4 impartiality. If you believe a reasonable person would
5 question your impartiality, then you are supposed to recuse
6 yourself, unless the agency authorizes you to participate
7 nonetheless.

8 Q And your testimony is that when OGE was
9 promulgating these regulations, it considered including
10 close personal friends within the group of appearance
11 criteria that triggers the consideration but then decided
12 not to include close personal friendships within that
13 category?

14 A That's my recollection, yes.

15 Q And that's why the recusal consideration was not
16 automatically triggered in Mr. Altman's situation?

17 A That's correct.

18 Q How did you and Mr. Foreman leave things after
19 that first conversation? Were you supposed to do anything
20 or was he supposed to do anything?

21 A Well --

22 Q You already told us what he was going to do.

1 A Right. He had a job; I didn't. No. In fact, he
 2 mentioned to me did I think I should be part of the
 3 discussions with RTC or OGE, and we both agreed there
 4 wasn't any need and it would be better for him to handle it
 5 on his own. So once I knew that the process, that a
 6 process was in place where a reasonable decision and one
 7 that would be particular to the facts and not have this
 8 kind of overarching, broad precedential effect, I really
 9 considered my job done on that.

10 Q Within the discretionary area, is that truly,
 11 completely up to the person's discretion?

12 A The individual officials? An agency ethics
 13 official could ask an individual official to recuse. But
 14 if the agency ethics official determines not to, then it
 15 would be up to the official.

16 Q Let me give you a hypothetical situation. Let's
 17 assume that the official who is considering whether or not
 18 to recuse himself as a discretionary matter also happens to
 19 be the head official at an agency and he makes a decision
 20 that he does not want to recuse himself as a discretionary
 21 matter, and the DAEO at that agency believes that the
 22 official should recuse himself as a discretionary matter

1 but that the factors that are required to be weighed in the
 2 discretionary situation in the DAEO's opinion weigh in
 3 favor of recusal. How is that conflict supposed to be
 4 resolved? Or is there a normal way that that is supposed
 5 to be resolved?

6 A I'm not aware that there is a particular path to
 7 resolution of that.

8 Q How would you advise resolving such a situation
 9 if that was brought to you?

10 A I fortunately haven't faced that issue. So
 11 again, I would have to say I would have to think about it.
 12 I may talk to some other people to try to get some advice
 13 on how to handle it.

14 Q Down at the bottom right-hand corner of page 750,
 15 which you have identified as your notes from this first
 16 telephone call with Mr. Foreman on February 4, you have
 17 written "concern about" something "off the wall." Do you
 18 know what that refers to?

19 A Could I see it?

20 Q Yes.

21 A That refers to the discussion we had about
 22 whether the decision -- Dennis's point that he thought

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1 maybe the decision could be made without it ever going to
2 Mr. Altman anyway. I am just writing down here in note
3 form what he was saying to me. But he said, he indicated
4 he was looking into the question, could there be a
5 protection to make sure there was a fair decision process
6 without the recusal decision ever having to be made.

7 But I have to say I don't understand the RTC
8 procedures and I didn't understand that really to be within
9 the scope of the things I was concerned about. So I didn't
10 much focus on it.

11 Q Are your notes that indicate the term "off the
12 wall," do those refer to concerns voiced to you by
13 Mr. Foreman of Mr. Nussbaum or Ms. Hanson, about the type
14 of decision that would be made or might be made at the RTC
15 by Mr. Ryan and Ms. Kulka in the event of a recusal by
16 Mr. Altman?

17 A I don't think he identified that they were any
18 particular person's concerns or that they were concerns
19 about any particular person. I don't recall for sure.

20 Q Is the "off the wall" reference related to a
21 concern about what would happen at the RTC on the Madison
22 matter if Mr. Altman did recuse himself?

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1 A Yes, it could be. I'm not positive.

2 Q You would agree that that appears to be
3 consistent with what Mr. Nussbaum had stated to you over
4 the phone the night before about his concerns about
5 Ms. Kulka?

6 A It is certainly not inconsistent with that. I
7 agree with that.

8 Q There is a notation here in your notes -- I will
9 pass it across in a minute -- that says "deadline
10 2/28/94." Again we are still on page X750. Let me pass it
11 across to you. Does that refresh your memory as to whether
12 there was any discussion with Mr. Foreman as to the statute
13 of limitations and whether there was any urgency to his
14 decisionmaking as to the ethics issue?

15 A Well, that referred to what I had mentioned
16 earlier, that he said there is nothing on the way to him
17 today, it doesn't have to be made right away. As I
18 understood it, the first decision that would have to be
19 made was the 2/28/94 decision.

20 Q You have mentioned that you had a second
21 telephone conversation with --

22 MR. TURK: Can we go off the record for a

1 second?

2 MR. KRAVITZ: Yes.

3 (Recess.)

4 BY MR. KRAVITZ:

5 Q When we stopped, I think you were just about to
6 tell us about a second conversation that you had with
7 Mr. Foreman on February 4, 1994.

8 A That's correct.

9 Q How did that come about?

10 A I called Mr. Foreman.

11 Q For what reason?

12 A On reflection after the phone call, I was
13 concerned that when Mr. Foreman had indicated he was going
14 to contact the RTC, that I might have, because I didn't say
15 anything, I might have been viewed as sort of authorizing
16 or indicating it is fine to tell them anything or to
17 send -- Mr. Foreman had mentioned Congressman Leach's
18 letter, to send that over. I wanted to make sure nothing I
19 said was viewed as in any way influencing that decision
20 about how to do it. He indicated to me that Mr. Altman had
21 already raised the issue with Ms. Kulka that the RTC was
22 reviewing, that there were other aspects to the letter that

1 the RTC was reviewing and not to worry about that.

2 He also mentioned to me at the start of the
3 conversation that he had had a brief conversation with I
4 think Gary Davis at the Office of Government Ethics, who is
5 the general counsel, whose preliminary view was the same as
6 Mr. Foreman's had been, that there was nothing mandated in
7 the rules for Mr. Altman's recusal, but that he was going
8 to get together with him later to discuss it in greater
9 detail.

10 Q Did Mr. Foreman indicate to you during the second
11 phone conversation whether Mr. Davis at OGE also agreed
12 with Mr. Foreman's view that as a discretionary matter,
13 Mr. Altman should recuse himself?

14 A I don't recall discussing that.

15 Q Let me show you what has been marked as X751 and
16 ask you if you recognize that page.

17 A Yes.

18 Q What is that?

19 A Those are my phone notes from the second phone
20 call.

21 Q And according to these notes, a phone call that
22 took place at 11:45 on February 4, 1994?

1 A Yes. I have to say I think I called him. He
2 might have called me back. So I can't be sure whether I
3 called him at 11:45 or actually spoke with him at 11:45.

4 Q The first reference in these notes says "quick
5 and dirty."

6 A That was the phrase he used to say I have had a
7 phone conversation with OGE, they looked at it quick and
8 dirty and didn't think there was anything, but we are going
9 to talk in more detail later.

10 Q Your notes also say "Roger mentioned it to Ellen
11 Kulka last" -- actually maybe you should read it.

12 A You can't read that because it is off the page
13 there.

14 Q Better than being off the wall.

15 A That was the reference to my indicating I just
16 didn't want to set anything in motion I wasn't supposed to
17 have set in motion. He said Roger has already discussed it
18 with Ellen Kulka.

19 Q "It" being?

20 A The recusal issue, that that would be coming up.

21 Q Did Mr. Foreman say anything to you that
22 indicated what Ms. Kulka's opinion was on the recusal

1 issue?

2 A No.

3 Q Did you have any sense of what the conversation
4 had been between Mr. Altman and Ms. Kulka based on your
5 telephone conversations with Mr. Foreman?

6 A No. That is the extent, I believe, of our
7 conversation on the matter.

8 Q Is there anything else that you and Mr. Foreman
9 discussed during your second telephone conversation on
10 February 4 that you haven't told us about?

11 A Yes. He mentioned that they were preparing a
12 draft on the Vacancy Act question.

13 Q Did Mr. Foreman mention who was preparing a draft
14 on the Vacancy Act question?

15 A The notes say "in house." I assume that meant at
16 Treasury, Mr. Foreman's office, but I don't know for sure.

17 Q Is there anything else that was said?

18 A That that draft, they were confident that the
19 Vacancy Act covered all the executive branch agencies,
20 including the RTC. At the bottom of my notes, it says "not
21 telling others WHO." That would mean White House office.
22 That would be my usual abbreviation. I am actually not

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1 sure what that means. It refers to something Dennis said.
 2 My recollection now is that it referred again to the fact
 3 that he was going to speak to RTC and OGE without
 4 discussing me or expressing any White House view on the
 5 matter.

6 Q What exactly do your notes say on that point?

7 A "Not telling others WHO."

8 Q Did Mr. Nussbaum say anything to you at any point
 9 about keeping it quiet or just not spreading it around that
 10 the White House was involved in this recusal discussion?

11 A No.

12 Q Had you had any further contact with Mr. Nussbaum
 13 on this issue by the time of these telephone conversations
 14 with Mr. Foreman?

15 MR. TURK: After the conversations on the evening
 16 of the 3rd?

17 MR. KRAVITZ: Yes.

18 THE WITNESS: Yes.

19 BY MR. KRAVITZ:

20 Q You had further conversations with Mr. Nussbaum
 21 by the time of these telephone conversations?

22 A Just a brief conversation in a staff meeting.

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1 Q When was that?

2 A It would have been Friday morning. The counsel's
 3 office staff meeting is normally at 9:00.

4 Q This would have been early in the morning on
 5 February 4?

6 A That's correct.

7 Q What happened related to these ethical issues at
 8 the staff meetings?

9 A Mr. Nussbaum simply mentioned at the staff
 10 meeting that to make sure that I was going to speak with
 11 Dennis Foreman during the day. I had indicated that I was
 12 and said given that we know that Dennis Foreman is on top
 13 of this and that he is an experienced ethics official, do
 14 you still want me to make the call, and he indicated yes,
 15 he thought it was very important. There is no one whose
 16 ethics judgment he trusted more and he wanted to be sure
 17 that the right decision was being made.

18 Q What did you interpret that to mean?

19 A I interpreted it to mean that he wanted to be
 20 sure that the process was right and I interpreted it to
 21 mean that I was to do my job of taking care of any
 22 institutional concerns.

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1 Q How did you know that Dennis Foreman was on top
2 of this if you hadn't talked to him about it before?

3 A I'm sorry. I believe Mr. Nussbaum indicated the
4 night before that he wanted Dennis Foreman to speak with
5 me. I think he didn't know Dennis Foreman or wasn't aware
6 of him. I think actually he said do you know him, is he
7 responsible, or something like that. So I was saying yes,
8 he is and given that, do you still want me to go ahead and
9 make the call.

10 Q In other words, is what you are saying that
11 during your conversations with Mr. Nussbaum on February 3,
12 you told Mr. Nussbaum that you had a high opinion, or words
13 to that effect, of Mr. Foreman and then at the staff
14 meeting on February 4, you asked Mr. Nussbaum whether he
15 still wanted you to be in touch with Mr. Foreman?

16 A That's correct.

17 Q And Mr. Nussbaum said in essence that despite
18 your confidence in Mr. Foreman, he still wanted you to
19 communicate with Mr. Foreman about this issue?

20 A His confidence was in me.

21 Q Just so the record is clear, is my question -- is
22 the answer to my question yes?

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1 A I don't think he used those exact words, but yes,
2 he said I would like you still to make the phone call,
3 yes.

4 Q What was your next contact or communication with
5 Mr. Foreman after this second telephone conversation on
6 February 4 that you have just described?

7 A He called me the following week.

8 Q Do you know what date?

9 A My notes will show I think it is Wednesday the
10 9th, if that would be Wednesday the 9th. Yes, 2/9.

11 Q Did you have anything to do with the issue of
12 Mr. Altman's recusal between the time of your second
13 telephone call with Mr. Foreman on February 4th and the
14 time that you spoke with Mr. Foreman on February 9th?

15 A I had a brief phone conversation with
16 Mr. Nussbaum. I called him just to tell him that I had
17 spoken with Mr. Foreman, there was a process in place, he
18 was going to be talking to the RTC ethics official and the
19 office of government ethics and that was it. It was a very
20 brief reporting conversation. He seemed quite satisfied
21 with that. And that was it.

22 Q Had Mr. Nussbaum asked you to get back to him and

1 let him know that you had in fact made contact with
2 Mr. Foreman?

3 A No. I don't remember specifically that he did.
4 But I would normally, if he or someone else asked me to
5 contact someone, I would usually contact them and let them
6 know what had come of that.

7 Q Was one of the reasons that you called
8 Mr. Nussbaum on the 4th that you could tell from your
9 conversations with Mr. Nussbaum that he viewed this as an
10 important matter? Or was it really that routine?

11 A I'm not sure, but I imagine that yes, I
12 understood it to be an important matter.

13 Q To Mr. Nussbaum?

14 A To Mr. Nussbaum, that's correct.

15 Q Other than that one brief conversation with
16 Mr. Nussbaum you have just described, did you have any
17 communication with anyone else related to the recusal issue
18 between your second conversation with Mr. Foreman on
19 February 4 and your next conversation with Mr. Foreman on
20 February 9?

21 A I mentioned it briefly, that I had had the
22 conversation with Dennis Foreman, I mentioned briefly to

1 Joel Klein, the deputy White House counsel sometime over
2 the weekend in a phone conversation.

3 Q Why did you do that?

4 A He had called me to ask my guidance on whether
5 the White House should take a position with respect to
6 Ricky Tigert's decision to offer to recuse herself during
7 her confirmation process for FDIC.

8 Q What was that conversation?

9 A It was a fairly brief conversation. He indicated
10 that I believe Ms. Tigert had called him and asked if the
11 White House had a view. He asked me if I thought we had an
12 interest in the matter. I believe I indicated that, yes.
13 Again, we always had an institutional interest in recusal
14 promises that could have precedential effect and mentioned
15 that that was the same kind of interest that had been
16 present. When I spoke with Mr. Foreman about Mr. Altman's
17 recusal, he concluded the conversation by saying that he
18 believed he was just going to tell her that she should do
19 whatever she wanted.

20 Q He was going to tell Ricky Tigert?

21 A Yes.

22 Q Was there any discussion about the merits of

1 Mr. Altman's recusal issue?

2 A No, I don't recall any discussion.

3 Q I want to go back briefly to the telephone
4 conversation you had with Mr. Nussbaum after you had your
5 two conversations with Mr. Foreman on February 4.

6 A Yes.

7 Q Was this conversation with Mr. Nussbaum also on
8 February 4?

9 A Yes, I believe so. But I don't keep -- I did not
10 keep telephone logs of counsel office phone calls the way I
11 did of outside phone calls. I don't have any records of
12 it.

13 Q What do you remember Mr. Nussbaum saying during
14 this conversation which you believe to have been on
15 February 4?

16 A I remember him saying very little. I reported to
17 him that it seemed to me it was under control, the decision
18 process was in place. I think I also mentioned that
19 Mr. Foreman had indicated that if we had views on the
20 discretionary recusal aspect, we could discuss those with
21 Ms. Hanson but we should discuss that if we were going to
22 do that. He didn't -- he said fine, thank you very much,

1 basically.

2 Q Let me make sure I understand what you just
3 said. Mr. Nussbaum told you that if you and Mr. Foreman
4 had views on --

5 A I'm sorry. Mr. Foreman had said to me in the
6 first conversation when we went through the three issues
7 that we weren't really going to talk about -- we weren't
8 really going to talk about the discretionary issue. We had
9 agreed that we weren't really going to talk about it.
10 Other than identifying it and saying there might be some
11 precedential concerns there, we hadn't discussed it in any
12 detail.

13 My recollection is that he had said if you have
14 any views on that, those are views you could share with
15 Ms. Hanson.

16 Q This is what Mr. Nussbaum told you?

17 A No. This is what Mr. Foreman told me. I believe
18 I reported that to Mr. Nussbaum.

19 Q Let me make sure the record is accurate. What
20 you are saying is that on February 4, Mr. Foreman said to
21 you that if you had views on the discretionary issue, you
22 should share those with Ms. Hanson?

1 A That's what I recollect, yes.

2 Q Did that make any sense to you?

3 A I thought he was simply saying that on those
4 views, he was going to look at that point, he was going to
5 look at the legal questions and the code of conduct
6 questions.

7 Q So in other words, as Mr. Foreman led you to
8 believe or portrayed the situation to you, it appeared as
9 if Mr. Foreman had authority for looking at the legal
10 issues and that if the answer was that this was a
11 discretionary call for Mr. Altman, it was going to be
12 Ms. Hanson who was going to be assisting Mr. Altman in that
13 regard?

14 A I didn't have any sense that it was that well
15 developed. What I had the sense was at this initial stage,
16 Mr. Foreman was looking at the legal statutory code
17 questions, that he and I were not going to discuss any
18 other issues. I don't know what developed or how it played
19 out.

20 Q What was your discussion with Mr. Nussbaum on
21 February 4 on this aspect?

22 A I simply mentioned that that's what Mr. Foreman

1 had said, that they were proceeding along on the statutory
2 code of conduct issues. He had suggested that if I had
3 views on the other issue, the discretionary issue, I could
4 share those with Ms. Hanson.

5 Q Did Mr. Nussbaum respond to that part of your
6 report?

7 A I don't recall any particular response.

8 Q Did Mr. Nussbaum tell you that he would like to
9 be part of any discussions relating to the discretionary
10 issue?

11 A No.

12 Q Did Mr. Nussbaum ask you to keep him informed of
13 the progress of this work?

14 A I don't recall that he did.

15 Q Did you ever have any conversation with Jean
16 Hanson on the subject of Roger Altman's recusal or
17 nonrecusal?

18 A No.

19 Q Why is that? Is that because you didn't ever
20 really address the issue of discretionary recusal?

21 A That's correct. I really saw my role, my
22 institutional role for the White House in ensuring that we

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1 had a process for a political appointee, a recusal decision
 2 for a political appointee process in place that was sound
 3 and would reach a sound judgment and one that wouldn't have
 4 precedential effects that were bad for Presidencies
 5 generally. Once I knew that, I did not become involved in
 6 the particulars of the discretionary issue.

7 Q I will show you what has been marked as X000803
 8 and ask you if you recognize that document.

9 A Yes. That's a copy of a phone message from
 10 Mr. Foreman on February 9 which says "need to speak with
 11 you urgently."

12 Q Did you call Mr. Foreman back?

13 A I did.

14 Q Did you find out what was so urgent?

15 A I believe that he was calling me because he had
 16 read in the newspapers of Ms. Tigert's decision to recuse
 17 herself from the FDIC. I'm not sure this was ever made
 18 explicit. I surmised that he wanted to know if that
 19 decision had come out of us or might affect in some way the
 20 work he was doing on Mr. Altman's recusal.

21 Q What was your response to that question?

22 A Well, as I said, I was only surmising that

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1 question. It wasn't a direct question.

2 Q What was the discussion that you and Mr. Foreman
 3 had?

4 A That simply prompted a discussion generally about
 5 the appearance recusal issue. He wondered whether
 6 Ms. Tigert's situation was analogous to Mr. Altman's,
 7 whether they were different situations. Then I believe he
 8 discussed generally his thinking on the appearance issue.
 9 It was a fairly -- despite the notes, I think it was a
 10 fairly brief conversation. I think that was it.

11 Q Your notes indicate -- and for the record I'm
 12 reading from page X000752. Let me know if at any point you
 13 want to look at them. I would give you a copy, but I only
 14 have one copy. I can't read it and give it to you at the
 15 same time.

16 Your notes indicate at one point, "all of opinion
 17 in end that it is Roger's choice." and then it says "OGE
 18 will back up agency call whichever way it goes."

19 A That's right.

20 Q Can you tell us what that refers to.

21 A What he did actually is he started by sort of
 22 giving me a status report on where things were, that he had

1 now had his consultations with Mr. Kucinski at the RTC and
 2 Mr. Davis at the Office of Government Ethics and that he
 3 was simply saying that everyone agreed that there was no
 4 mandatory recusal requirement. They were looking at the
 5 factors that might nonetheless call for recusal. What my
 6 notes show is that he indicated that everyone agreed that
 7 Mr. Altman did not have to recuse himself; it was his
 8 choice whether to recuse himself.

9 Then we got into the discussion of a precedent,
 10 is Ricky Tigert's situation analogous. He indicated there
 11 was a memo that would go from Dennis Foreman and Art
 12 Kucinski approved by the Office of Government Ethics that
 13 would go to Mr. Altman, indicated that Mr. Altman is
 14 continuing to think about the appearance standard,
 15 indicated that their leaning was that it was not a very
 16 good idea. I understood that to mean not a very good idea
 17 for him to make these decisions to stay in the matter.

18 Q I'm sorry? Say that again.

19 A My notes show "their leanings, it's not a very
 20 good idea." I understood it's not a very good idea to be
 21 his continuing to participate in the Madison matter.

22 Q Whose leanings?

1 A I don't know if it is Mr. Foreman and
 2 Mr. Kucinski. I don't know.

3 Q Just to rephrase it, is it accurate to say that
 4 what Mr. Foreman told you was that, at least as of
 5 February 9, it was his view, at least his view and possibly
 6 that of other ethics people at that time at RTC and the
 7 Treasury that it was best for Mr. Altman to exercise his
 8 discretion in favor of recusal?

9 A What it says is it is not a very good idea but we
 10 have agreed he can continue to think about it. The notes
 11 show "precluding briefings until decision." I understood
 12 that to mean Mr. Altman wasn't going to be briefed on
 13 matters while he was making the decision, so he would sort
 14 of leave things in the status quo.

15 Q Did Mr. Foreman appear to be well informed as to
 16 the status of Mr. Altman's thinking on this issue?

17 A I don't know.

18 Q Did Mr. Foreman indicate to you whether he had
 19 spoken with Mr. Altman about this issue in recent days?

20 A I don't recall that he did.

21 Q Did anyone ever tell you around this time period
 22 that Mr. Altman informed people at the White House on

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1 February 3 or 4 that he had decided not to recuse himself
2 for the time being?

3 A I don't recall being told that.

4 Q Mr. Nussbaum didn't say anything about that to
5 you?

6 A I don't recall that, no.

7 Q In your view -- strike that.

8 As of February 9, 1994, what was your thinking as
9 to any effect that the Ricky Tigert promise to recuse
10 herself would have on Mr. Altman's decisionmaking as to the
11 discretionary issue?

12 A Understanding that I didn't know much about the
13 facts in either case, on the discretionary issue I didn't
14 have involvement in either, as a general matter agreements
15 to recuse during confirmation are not necessarily the same
16 as decisions to recuse once you are in a position. And to
17 the extent we are talking about recusal because of
18 friendship, that would require different sets of facts. I
19 don't know exactly what the basis of Ms. Tigert's decision
20 was other than she had been requested to do so as part of a
21 confirmation process.

22 Q So you didn't know at that time that Ms. Tigert,

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1 at least on a surface level, had the same appearance
2 problem as Mr. Altman, which was that she was a personal
3 friend of the Clintons?

4 A I knew she had known the Clintons, but I didn't
5 know the extent of that with either Ms. Tigert or
6 Mr. Altman.

7 Q Is there anything else about the conversation
8 that you had with Mr. Foreman on February 9 that you can
9 remember, either from your own independent recollection or
10 from reading your notes, that you haven't told us about?

11 A That Mr. Foreman indicated that what he was doing
12 was weighing factors and balancing, I had mentioned
13 earlier, the concern that Mr. Altman's recusal or
14 Mr. Altman's participation was necessary, my notes say, to
15 a fair and thoughtful decision because there was a new
16 general counsel, a new CEO, that that necessity was one
17 being weighed against the patterns that Mr. Altman's
18 participation might create, weighing that with respect to
19 Ricky Tigert's decision and the potential criticism that
20 the President or Mr. Altman could be subject to.

21 What I understood was simply that whatever
22 decision is made, it may be subject to criticism because

1 Mr. Altman was involved.

2 Q The bottom line was that the Tigert situation
3 subject Mr. Altman to heightened criticism in the event
4 that Mr. Altman decided not to recuse himself?

5 A I think that was the concern Mr. Foreman was
6 expressing, yes.

7 Q Was it Mr. Foreman's view that that concern
8 should be considered as part of the balancing as to the
9 discretionary decision whether or not to recuse?

10 A I think that's what he was expressing, yes.

11 Q Did you agree with that?

12 A When he called me, as I understood it, he was
13 sort of raising this issue to see if there was any view or
14 if we had had any involvement in Ricky Tigert's decision
15 that might affect Mr. Altman's decision. Then he went
16 ahead and sort of explained what he was thinking. I don't
17 recall expressing a particular view on it.

18 Q Regardless of whether you expressed a particular
19 view on that subject to Mr. Foreman on February 9, do you
20 have a view just as a general matter as to whether the
21 amount of public criticism that an official will get by not
22 recusing himself is a factor that should be considered as

1 part of the discretionary decision whether or not to
2 recuse?

3 A I think as an ethics official, one considers
4 public confidence in the legitimacy of government decisions
5 as a factor. But that some people may raise that concern
6 doesn't necessarily trigger recusal or else nobody would
7 ever get any business done. So you are always weighing
8 that against the need for government officials to do their
9 jobs when they are assigned to do those jobs.

10 Q In other words, the amount of criticism that can
11 be expected is a factor to be considered but not
12 necessarily a major factor?

13 A It certainly would be a factor you would
14 consider, yes.

15 Q Down at the bottom left-hand corner of your notes
16 on page X752, your notes from the February 9 conversation
17 with Mr. Foreman, it says "concern of some people" and then
18 there is an arrow, "only reason not" and not is underlined
19 "to recuse is concern that his involvement is necessary to
20 a fair and thoughtful decision." A parenthesis that says
21 "new GC/CEO," then it says "weight of appearance grows
22 heavier when one looks at potential damage may cause to

1 POTUS and Roger."

2 What do those notes refer to?

3 A That's the balancing that I was referring to. He
4 was considering the concern, the importance of Mr. Altman
5 participating in a fair and thoughtful decision versus the
6 possible appearance problem and criticism that a decision
7 could be subjected to if Mr. Altman did participate in any
8 decision.

9 Q Did Mr. Foreman tell you on February 9 that, at
10 least in his opinion, the only reason for Mr. Altman not to
11 recuse himself is the concern that his involvement at the
12 RTC in Madison-related matters was necessary to a fair and
13 thoughtful decision?

14 A As I understood it, he indicated that was the
15 concern of some people, that that was the only reason. I
16 don't recall his specific view or to whom he was
17 attributing that.

18 Q You have no idea who Mr. Foreman was referring
19 to?

20 A Whose view that might be that that was the only
21 reason not to recuse.

22 Q Right. You don't have any idea who that was?

1 A No.

2 Q You have stated a number of times that one of the
3 things you were concerned about is the precedential effect
4 that a decision in favor of recusal might have on the
5 functioning of the executive branch. Your notes indicate,
6 it says "question of precedent, circumstances unique enough
7 that doesn't create precedent."

8 What does that refer to?

9 A I believe Mr. Foreman was raising that he was
10 thinking that the circumstances with Mr. Altman in the
11 Madison Guaranty matter might be unique enough that there
12 wouldn't be any general precedential consequence of a
13 recusal decision.

14 Q Your notes indicate, and you read this before, it
15 says "precluding briefings until decision."

16 Did Mr. Foreman tell you that Mr. Altman was not
17 being briefed on Madison-related matters?

18 A That's what I understood that to mean, yes. I
19 don't know how specific he was.

20 Q Did you have any further contact with Mr. Foreman
21 between the end of this telephone conversation you have
22 just described on February 9 and February 24, 1994?

1 A No.

2 Q Did you do anything related to the recusal issue
3 following your telephone call with Mr. Foreman on
4 February 9?

5 A No.

6 Q You didn't call Mr. Nussbaum?

7 A I may have called Mr. Nussbaum. I'm not sure. I
8 don't recall the specific conversation.

9 MR. KRAVITZ: Off the record for a moment.

10 (Pause.)

11 EXAMINATION

12 BY MR. BRAUNREUTHER:

13 Q Ms. Nolan, good afternoon. My name is Joe
14 Braunreuther. I am deputy special counsel to the minority
15 members of the Senate Banking Committee. At this point I
16 will be taking up the questioning. Let me ask you, if you
17 do not understand one of my questions, please ask me to
18 rephrase. I will be happy to do so.

19 I believe when you finished off answering
20 questions with Mr. Kravitz, we had gotten up to
21 February 9.

22 A That's correct.

1 Q I have one document which seems to be undated
2 which I will ask you if you can identify. I'm not sure you
3 will be able to. It is X778. It appears to be a document
4 from your message pad. Do you recognize it?

5 A Yes. I recognize it as something I produced. I
6 don't recognize it. I made a telephone call to Mr. Foreman
7 on February 25 which he may have returned, and I thought
8 that was this message, which I found on an archaeological
9 dig of my desk, might have referred to that so I produced
10 it to be sure, but I'm not positive.

11 Q Did you complete all your testimony about the
12 February 4 discussions? There were two that you had with
13 Mr. Foreman.

14 A Yes.

15 Q After February 4, when was the next time you
16 spoke to anyone with respect to these matters?

17 A Other than the conversation I mentioned having
18 with Mr. Klein, the brief conversation I had with
19 Mr. Klein, the next time I had a conversation was the
20 February 9 phone conversation with Mr. Foreman.

21 Q So during the period February 4 to February 9,
22 you had no involvement with Mr. Kucinski or Mr. Foreman or

1 Mr. Nussbaum in developing an ethics opinion?

2 A That's correct.

3 Q Can you tell me about the conversation which you
4 had on February 9, to the best of your recollection.

5 A This is the conversation I have already
6 discussed? Do you want me to go through it again?

7 Q Did could you discuss the whole February 9
8 conversation?

9 A Yes, we discussed the February 9 conversation.

10 Q What was your next conversation?

11 A The next conversation I had with Mr. Foreman was
12 a call I initiated on February 25.

13 Q Are you confident in your recollection that you
14 had no conversations with respect to this matter with
15 Mr. Foreman during the period February 9 to February 25?

16 A I have no recollection of having any
17 conversations with Mr. Foreman on the subject.

18 Q Do you recall discussing the issue of
19 Mr. Altman's recusal with anyone else during that period of
20 time?

21 A I don't have any recollection of any such
22 discussions. As I said, I may have made a phone call to

1 Mr. Nussbaum after my February 9 conversation with
2 Mr. Foreman, but I don't have any specific recollection of
3 it.

4 Q Do you recall whether or not anyone might have
5 contacted you before Mr. Altman testified on February 24
6 with respect to his upcoming testimony?

7 A I don't recollect that anyone did. I should tell
8 you that on February 20, I broke my right shoulder in three
9 places, which may explain the handwriting on that
10 February 25 note. I was right-handed.

11 But I wasn't in the office. I was in the office
12 for a few hours a day during that week of February 21, the
13 week that Mr. Altman testified.

14 Q Can you tell me what you recall about the
15 February 25 conversation.

16 A Yes. I called Mr. Foreman about a completely
17 different matter, a matter relating to a nominee to a
18 different position, and I had an ethics question I had been
19 contemplating as I sat at home with my broken shoulder. So
20 I raised the question with him and then he said something
21 about, you must have seen the stories about Mr. Altman's
22 testimony, or something like that. He just mentioned very

1 briefly that a memo had gone to Mr. Altman indicating that
2 he had no mandatory recusal requirement but here were the
3 factors he should consider in deciding whether to recuse or
4 not.

5 I believe he mentioned something about Mr. Altman
6 having testified to the White House meeting, the February
7 meeting, but I don't think he discussed it in any detail.
8 I'm not sure that I had actually even read the newspaper
9 that morning. I had come in late. I was on painkillers at
10 the time. I was sort of trying to take care of business,
11 immediate business.

12 Q As much as you could under the circumstances.

13 A Right.

14 Q How long did your conversation with Mr. Foreman
15 on February 25 last?

16 A I'm not sure, but five, 10 minutes maybe.

17 Q I have a document which appears to be your phone
18 log for that date which is very difficult to read. I
19 believe you provided an interpretation of that document?

20 A Yes. My left-handed typing turned out to be
21 better than my left-handed writing.

22 Q Can you read the document -- the document for the

1 record is 753, and 754 is a typed version of what
2 apparently appears on 755; is that correct?

3 A Yes, that's what it should be. Let me check and
4 make sure. Yes.

5 Q Can you identify what your entries were and give
6 us your best understanding what they were intended to
7 communicate.

8 A Yes. There were two matters that were
9 nonresponsive matters. I do recollect the first one. I
10 don't recollect the third one. With respect to Mr. Altman,
11 it says, "memo to Roger, March 30, WH meeting" -- White
12 House meeting -- "no ethics obligation but here are
13 factors."

14 Q And is that intended to communicate that that is
15 what Mr. Foreman said to you?

16 A That's correct.

17 Q And as you have explained it, was that
18 Mr. Foreman had sent the memo to Roger informing Roger
19 Altman that there was no ethics obligation but that there
20 were certain factors he should consider in exercising his
21 discretion whether to recuse or not?

22 A Yes.

1 Q What is the White House meeting reference?

2 A I think he made some reference to Mr. Altman's
3 testimony the day before -- I think it was the day
4 before -- to a meeting at the White House.

5 Q When you say a meeting with the White House, you
6 mean the day before, February 25?

7 A No. I believe Mr. Altman testified on
8 February 24 and that he was referencing that testimony,
9 that there had been a newspaper story about it or
10 something.

11 Q So the previous date, February 24, Mr. Altman had
12 given testimony about his meeting in the White House on
13 February 2?

14 A That's right. That's my recollection what that
15 was referencing.

16 Q Your notes indicate that -- your notes include
17 the date March 30.

18 A Yes.

19 Q Can you reconcile for us, if you could, your
20 telephone log is February 25 and this apparently refers to
21 a March 30 date?

22 A I think what that refers to is the date at which

1 Mr. Altman's Vacancy Act appointment would expire. So that
2 that's what they were looking towards. But I don't have
3 any more specific recollection of that.

4 Q Did you get a sense in speaking to Mr. Foreman
5 that there was some substantial concern on the part of
6 Mr. Altman regarding the accuracy of his testimony given
7 the previous day?

8 A No. I got no indication of that.

9 Q Were you aware that or were you notified by
10 Mr. Foreman that Mr. Altman had not disclosed in his
11 testimony on February 24 that he had discussed the issue of
12 recusal with the White House?

13 A No. My recollection, anyway, and my recollection
14 is quite hazy on this, but my recollection is that
15 Mr. Foreman just mentioned briefly, you must have seen in
16 the papers that Mr. Altman testified yesterday, and that
17 was it; we didn't discuss it in any detail. The
18 conversation was quite short. I don't recollect discussing
19 any specifics about Mr. Altman's testimony at all.

20 Q And do you recall anything else about the
21 conversation beyond what you have already related?

22 A No.

1 Q I have a further document, X804, which appears to
2 be a telephone message related to the February 9 meeting.
3 Would you be good enough to read it --

4 A Telephone call, no meeting.

5 Q Would you be good enough to read it and give us
6 your best recollection of what it pertains to.

7 A Yes. I will try to read it. The photocopy,
8 through no fault of your own, I'm sure, is a little weak.
9 It was a second phone message before I returned
10 Mr. Foreman's first phone message of February 9. "Wanted
11 to add to last message you should look at front page of
12 business section in Wash Times article to nominee FDIC
13 Ricky Tigert."

14 Q That was the subject of your follow-up discussion
15 which you already testified to?

16 A That's correct.

17 Q Do you recall when your next contact was
18 regarding this matter, and in particular, the matter
19 pertaining to Mr. Altman's recusal?

20 MR. TURK: Next contact with?

21 MR. BRAUNREUTHER: Anyone.

22 THE WITNESS: Yes. I believe that the following

1 Monday, the 28th, I guess it would be, of February,
2 Mr. Klein called me and asked me -- he raised concerns and
3 wanted to discuss with me whether the White House had any
4 obligation to correct Mr. Altman's testimony that he had
5 given on February 24.

6 BY MR. BRAUNREUTHER:

7 Q What were the concerns which Mr. Klein had
8 identified?

9 A I will tell you to the best of my recollection.
10 Again, this is something I don't have any notes on and it
11 has been a while now. But I recollect that there were two
12 aspects of Mr. Altman's testimony. One, he had indicated
13 that the briefing or the meeting, the February meeting was
14 related to procedural issues and there was concern whether
15 that encompassed within it the recusal issue.

16 Secondly, somebody recalled Mr. Altman having
17 said something related to his setting up the meeting with
18 Mr. Nussbaum, and that was not Mr. Nussbaum's recollection,
19 that the meeting had actually been set up with him.

20 As it turned out, if I remember correctly, when
21 we were able to look at the transcript of Mr. Altman's
22 testimony, he had not actually said the meeting had been

1 set up with Mr. Nussbaum. So that concern fell away.

2 Q So the remaining concern was the accuracy of
3 Mr. Altman's answer and the fact that he had omitted to
4 explicitly state recusal?

5 A That's correct.

6 Q If I understand correctly, there is some question
7 as to whether or not his disclosure that the meeting
8 pertained to procedural matters also covered the general
9 subject of recusal?

10 A That's correct.

11 Q What was your response when Mr. Klein asked you
12 about this?

13 A Well, we discussed it generally, and we also
14 discussed it with Mr. Nussbaum and another attorney in the
15 office, and I think --

16 Q Do you recall who the other attorney was?

17 A I think it was Neal Eggleston. I don't remember
18 reaching any resolution. It was, I think, a general view
19 that the recusal issue was a procedural matter. That's
20 certainly how I understood it. I discussed with Mr. --
21 Mr. Klein mentioned afterwards, well, even so, even if
22 there is no obligation to correct, maybe it would be better

1 if Mr. Altman clarifies, if there was no ultimate
2 resolution. That was something that was left open.

3 Q Do you recall anything more about that
4 discussion?

5 A I don't.

6 Q Do you recall whether anyone disclosed at that
7 time that the White House counsel's office had been
8 consulted with respect to a proposed answer for Mr. Altman
9 prior to the hearing on February 24?

10 A No.

11 Q For example, did Mr. Eggleston ever say that he
12 had spoken either to Mr. Altman, Ms. Hanson or anyone else
13 on Mr. Altman's staff about a proposed answer to questions
14 in preparation for the February 24 hearing?

15 A No, I don't recall hearing that.

16 Q What was the general tenor of these meetings --
17 this meeting? Excuse me. Did anybody express
18 dissatisfaction with the accuracy of Mr. Altman's
19 testimony?

20 A I think it was a preliminary meeting. The
21 transcript had just become available, might have become
22 available as we were meeting. The concern had been raised

1 and so we were looking at it. That's what I sort of
2 remember the tenor, is there an issue here, is there a
3 problem, rather than any conclusion about whether there was
4 a problem.

5 Q Did you become aware at about the same time that
6 there were additional White House-Treasury contacts in
7 connection with the Madison matters?

8 A Yes. I think it was about this time that there
9 were newspaper stories to that effect or that the White
10 House released information to that effect. I can't
11 remember the timing exactly.

12 Q Were you consulted with respect to the accuracy
13 of Mr. Altman's testimony as pertained to other White
14 House-Treasury contacts?

15 A No, I don't recall being consulted about that.

16 Q After the meeting that you described where I
17 believe you said you gave a preliminary opinion with
18 respect to whether -- you made a contribution as to how
19 matters should proceed in terms of elaborating on
20 Mr. Altman's testimony --

21 A My recollection is that Mr. Klein suggested that
22 perhaps Mr. Altman -- nonetheless, Mr. Altman should

1 consider correcting the record, even if there was no
2 obligation to do so, or perhaps that he should -- perhaps
3 "correct" is not right -- but amplify what he had said. I
4 was aware that was a possibility. I said that was
5 something we ought to consider. But it was left unresolved
6 at that point.

7 Q What happened next?

8 A After that I really wasn't in on the loop on that
9 decision. So I really don't know specifically.

10 Q Did you have any further involvement with anyone
11 within the White House counsel's staff regarding
12 amplification of Mr. Altman's testimony?

13 A I don't recall any further involvement.

14 Q So to the best of your recollection, your
15 involvement concluded on that date, which would have been
16 Monday, February 28?

17 A With regard to Mr. Altman's testimony, yes. I
18 don't recall any further involvement. I can't say that
19 there might not have been something raised in some other
20 meeting or in some other event. But I don't recall
21 anything.

22 Q Do you know how the suggestion -- what must have

1 been a further communication with Mr. Altman, how would you
2 characterize that communication? Was it a suggestion? An
3 instruction? A request?

4 A I'm sorry. The further communication? Which is
5 that?

6 Q I believe you testified that your discussions
7 concluded with an agreement that someone should communicate
8 with Mr. Altman to suggest that he take some action with
9 respect to his testimony?

10 A No. I'm sorry. What I meant is that Mr. Klein
11 was offering that as a possibility but there was no
12 conclusion about what should be done, needed to be done,
13 could be done. So that the issue was left open at the
14 point at which I concluded my participation.

15 Q So aside from what you may have read in the
16 papers, you had no further understanding about how that
17 issue which was left open was ultimately resolved?

18 A That's correct.

19 Q Did you then become involved in any kind of
20 drafting of a memorandum regarding the procedures to be
21 followed with respect to contacts with Treasury officials?

22 A Yes.

1 Q Can you describe that exercise for us.

2 A Yes. Congressman Leach had sent a letter, I
3 believe, to the Office of Government Ethics, to Treasury,
4 the RTC and the White House raising questions about the
5 propriety of the White House-Treasury contacts that had
6 been revealed either in Mr. Altman's testimony or in press
7 accounts. Mr. Nussbaum called me and asked me if I would
8 look at the letter and help draft a response or help draft
9 a memorandum that could be used for a response, or actually
10 he asked me to do it, not to help do it.

11 I sat down with him after the staff meeting and
12 said if you want me to do this, I'm going to need some help
13 because I don't have a right arm. So he asked Cheryl
14 Mills, another associate counsel, to assist me in drafting
15 a memorandum that would look at the standards of conduct
16 and the ethical issues.

17 Q Do you recall to whom Congressman Leach's letter
18 was directed?

19 A I believe the White House part was directed to
20 Mr. Nussbaum as the agency ethics official. It was also
21 directed to the Office of Government Ethics. I just don't
22 remember who the two people -- whether it was directed to

1 Secretary Bentsen and Mr. Altman for the RTC. I just don't
2 recollect. If you have a copy of it, I can probably read
3 it and tell you.

4 MR. KRAVITZ: We may have.

5 BY MR. BRAUNREUTHER:

6 Q I will show you Document X555 and ask you to take
7 a look at it. Can you tell me if this is the letter that
8 you were referring to dated March 1.

9 A That's correct. That's the letter directed to
10 Mr. Nussbaum, Mr. Potts, Ms. Hanson as the general counsel
11 of Treasury and Mr. Kucinski as the RTC ethics officer.

12 Q Can you identify the different individuals who
13 participated in preparing a response to that March 1
14 inquiry.

15 A Cheryl Mills and I began preparing the response.
16 I decided towards the end of that week that since I had had
17 discussions with Mr. Foreman, the White House would
18 probably be better served if I didn't participate in any
19 review. While we weren't looking at those contacts, I
20 thought it would be better if somebody who hadn't been
21 involved in the matter at all looked at it. So I took
22 myself out of it at a fairly early stage in the draft.

1 Q Once you took yourself out of it, who completed
2 the job?

3 A I believe Cheryl Mills and Kathy Whalen, who is
4 an assistant counsel.

5 Q Was there any coordination between the White
6 House staff and the Treasury ethics people --

7 A I'm not aware of any discussions.

8 Q -- in preparing the response?

9 To your knowledge, was the White House response
10 prepared independent of conversations with Treasury
11 officials?

12 A To my knowledge, yes. But I can't say after I
13 recused myself. But I wasn't aware that there were any
14 discussions of that nature.

15 Q You effectively recused yourself from providing
16 this response?

17 A That's correct.

18 Q And I know you said why. I guess it is because
19 you felt that there -- let me allow you to explain in your
20 own words. What was the basis for you recusing yourself?

21 A I simply felt as a matter of prudence, since I
22 had had discussions with Mr. Foreman about Mr. Altman's

1 recusal, that the White House would be better served if
2 lawyers in the counsel's office who had had no Treasury
3 contacts at all were the ones who prepared the document.

4 Q We have several drafts of what appear to be the
5 memo that you are speaking about. Documents X673, X396 and
6 X567 all appear to be different drafts of the same
7 memorandum. The first one is dated March 3, the second
8 March 5 and the third March 7. Can you identify those for
9 us?

10 MR. KRAVITZ: Let me just state for the record
11 before you answer that question, those are three drafts
12 from among a larger number of drafts that were actually
13 produced to us.

14 THE WITNESS: I actually can't identify any of
15 these. I know this first one has my name on it. But it
16 looks like it was added onto, from what I recall, from the
17 point at which I had participated in it, but I can't know
18 for sure. I don't recollect that I had that.

19 BY MR. BRAUNREUTHER:

20 Q Do you know from looking at those memorandums
21 precisely what the date was that you recused yourself?

22 A I think it was March 4, Friday morning, March 4,

1 but that doesn't mean that the draft at the time which was
2 dated March 3 wasn't added on to at that time. I just
3 don't know.

4 Q So you have no recollection --

5 A Of doing this much work.

6 Q Of doing that much work. Do you have a
7 recollection of how much work had been done at the point
8 that you recused yourself?

9 A I don't, although it seems to me that it was
10 actually sort of about here in the middle of page 4 or
11 whatever. It is also hard to know because there were two
12 of us working on it. It may be that Ms. Mills did some
13 work on the matter even before I came in and said I am not
14 going to participate anymore.

15 Q Do you have a recollection that March 4 was also
16 the date that the grand jury subpoenas were served?

17 A Yes.

18 Q Did that play a role in your decision that you
19 should recuse yourself?

20 A No, no. I had actually decided the evening of
21 March 3, and when I came in in the morning I said that.
22 The grand jury subpoenas came late in the date of March 4.

1 Q At any rate, the memos which I have shown you
2 dated March 3, 5 and 7 are not your final work product?

3 A I don't recognize them as such, certainly not the
4 5th and the 7th, but I don't recognize even the 3rd.

5 Q Is it fair to say they don't necessarily reflect
6 your views on this issue?

7 A That's correct.

8 Q And you also didn't have an opportunity, because
9 of your early recusal, to finalize your thoughts with
10 respect to the issues that were the subject of those memos?

11 A That's correct.

12 Q Can you recall any other discussions you may have
13 had with White House or Treasury officials regarding
14 Mr. Altman's recusal that you have not disclosed here
15 today?

16 A I don't have any recollection of any other
17 conversations with Treasury officials. The matter arose a
18 number of times in a number of contexts at the White
19 House. I don't have any specific recollection.

20 Q Do you recall that Mr. Altman ultimately did
21 recuse himself in the case?

22 A Yes.

1 Q What date was that, to the best of your
2 recollection?

3 A I believe that was February 24.

4 Q I can tell you that his testimony before the
5 Banking Committee --

6 A February 25. I'm sorry. The Friday is what I'm
7 thinking of, February 25.

8 Q Which, I believe, is consistent with the record.

9 Now, with respect to his recusal on February 25,
10 was it improper for him to act to recuse himself on
11 February 25?

12 A I'm sorry. I don't understand the question.

13 Q In your opinion, was it improper for him to elect
14 to recuse himself on February 25?

15 MR. TURK: You are making a distinction between
16 doing it on February 25 as opposed to any other day?

17 BY MR. BRAUNREUTHER:

18 Q Addressing yourself to the fact that he
19 ultimately did recuse himself and it incidentally was on
20 the 25th, was it improper for him to recuse himself then?

21 A I wouldn't have any basis for thinking it was
22 improper for him to do so.

1 Q So at that stage there is no prohibition against
2 him exercising discretion to decide to recuse himself?

3 A I wasn't aware of any. As I have testified, I
4 wasn't fully involved in the matter or in fact-gathering.
5 But I certainly wasn't and am not aware of anything that
6 would prohibit him from recusing himself.

7 Q Is there anything improper with him, in the
8 absence of such a prohibition from exercising his decision
9 freely, to recuse himself?

10 A I guess I am being asked to speculate in the
11 absence of facts. I don't know. All I can say is I'm not
12 aware of anything. Without knowing every single fact, I
13 couldn't reach that conclusion.

14 Q To the extent you were involved in the analysis
15 of the factors regarding his recusal earlier in February,
16 would it have been a proper exercise of discretion at that
17 time for him to recuse himself if he elected to do so?

18 A Again, I would say that as to what the factors
19 were, for instance, that Mr. Kucinski and Mr. Foreman
20 apparently set out in a memorandum to Mr. Altman, I didn't
21 see those. I don't know specifically what they were. I
22 would even be reluctant to speculate on what his decision

1 was.

2 Q You played no role -- did you have any
3 understanding of what the discretionary factors -- what the
4 factors would be regarding his discretionary decision
5 whether to recuse?

6 A I'm sorry. Did I have any?

7 Q To the extent that you were involved in the
8 analysis of the recusal issue, did you ever consider the
9 factors which would play a role in the discretionary aspect
10 of his decision?

11 A No. I don't recollect identifying particular
12 factors or discussing particular factors.

13 Q So your opinion about the ethical obligations
14 with respect to this decision by Mr. Altman whether or not
15 to recuse himself did not delve into the discretionary
16 considerations?

17 A That's correct.

18 Q It was limited to the statutes or laws to the
19 extent they would mandate recusal; is that right?

20 A That's correct. As I testified, Mr. Foreman
21 mentioned and indicated to me that they were considering
22 the discretionary factors and that Mr. Altman would make

1 that determination and was considering what to do. But as
2 to what the particulars were, I didn't have any
3 involvement.

4 Q I know you gave some testimony about this and I
5 really just want to clarify. What are the factors
6 generally which are considered the factors to be considered
7 when you get into a discretionary range? Withdrawn.

8 I believe you talked about there were three
9 considerations. One was the Vacancy Act.

10 A Right.

11 Q One was whether the law mandated recusal and the
12 third was a whole area of discretionary factors.

13 A Correct.

14 Q Let's put aside the Vacancy Act for the moment
15 and deal with the other two considerations which I assume
16 apply to most recusal decisions.

17 A Correct.

18 Q That's the range of mandatory recusal and then
19 another area of discretionary recusal.

20 A That's right.

21 Q Could you explain for me once again the totality
22 of the analysis as it relates to mandatory recusal.

1 MR. TURK: The totality of the analysis as it
2 relates to mandatory recusal? You want her to give you an
3 exegesis on what the legal standards are under the regs and
4 standards for mandatory recusal across the board in any
5 circumstance?

6 MR. BRAUNREUTHER: No. I'm talking about the
7 case of Mr. Altman, which is the only area that you gave an
8 opinion, was in the range of mandatory recusal.

9 THE WITNESS: I wouldn't characterize what I did
10 as gave an opinion. I tried to make sure there was a
11 process in place so that this decision regarding a
12 political appointee was one that was made properly and
13 without disastrous precedential effect.

14 BY MR. BRAUNREUTHER:

15 Q Your involvement was limited to monitoring the
16 process, as opposed to giving an opinion about whether
17 there was even a mandatory obligation for Mr. Altman to
18 recuse himself?

19 A I was consulted on my view as to whether there
20 was a mandatory. I gave a preliminary view. I never went
21 any further. Had I been responsible for the decision, I
22 would have developed more facts and other things that I

1 didn't in my consultative role.

2 Q In this case, you never gave a final opinion as
3 to whether recusal was required in the case of Mr. Altman?

4 A That's correct.

5 Q And that decision -- you consulted on that
6 matter, but ultimately that decision was left to a further
7 and more complete analysis to be done by Mr. Foreman?

8 A That's correct.

9 Q And as I believe you described it, your function
10 was limited to setting up the process of reaching that
11 determination?

12 A Well, I wouldn't even describe what I did as set
13 up the process. Mr. Foreman told me what he anticipated
14 the process to be. That gave me confidence that we would
15 have a decision made in a process that would make sure that
16 the proper considerations were addressed.

17 Q As you saw it at that time, what were the proper
18 considerations in the case of Mr. Altman solely with
19 respect to the mandatory tier of this analysis?

20 A The thing I was most concerned about is that
21 there be no conclusion that by virtue of having been
22 appointed by the President or knowing the president, you

1 must be recused from all matters that touch upon the White
2 House or touch upon the President. I was quite confident
3 that there is no such ethics rule or standard and I am
4 still confident that there is no such ethics rule or
5 standard.

6 Q I believe in your earlier testimony you referred
7 to the concept of a covered person.

8 A Yes, a covered relationship.

9 Q Is that equivalent to what you have just
10 described as the analysis of whether or not the appointment
11 in or by itself mandated recusal?

12 A Well, yes. When you are looking at the standard,
13 you might look -- generally when you are looking at
14 recusal, you would ask is there a particular financial
15 interest that might require recusal. If there is not a
16 particular financial interest, you would then look to the
17 standards of conduct in particularly section 3635.502 of
18 5 CFR to look to see whether the government officer or
19 employee has a covered relationship with a party or someone
20 who represents a party.

21 There you would look at -- for covered
22 relationships you would look at whether this is someone

1 with whom you have been in the private sector employed or
 2 been an attorney for or that kind of thing within the past
 3 year, whether it is an organization with which you are
 4 affiliated now, perhaps a nonprofit that you are affiliated
 5 with currently as a government employee, whether it is a
 6 member of your household, whether it is someone with whom
 7 you have an ongoing financial relationship other than a
 8 standard consumer transaction.

9 So those are the factors you would look to to see
 10 if you have a covered relationship.

11 Q In the case of Mr. Altman and President Clinton,
 12 the relationship did not fit within those categories?

13 A Not to my knowledge, no.

14 Q And an ethical opinion concluding that recusal
 15 was not mandatory ends at that point in the analysis; is
 16 that right?

17 A The question -- even that, when we are talking
 18 about mandatory, what we really mean there is that it is
 19 explicitly addressed in the standards, because, as I
 20 testified earlier, even then what you do is you assess
 21 whether a reasonable person would question your
 22 participation in a matter involving a person with whom you

100

1 have a covered relationship. If they would, then you
 2 should recuse unless the agency chooses to authorize you to
 3 participate.

4 So, it is in fact not mandatory in the sense of
 5 if A, then recuse. It is mandatory that the process occur
 6 in that situation.

7 Q Maybe you can help me. I would like to just
 8 identify the factors which are subsumed in an ethical
 9 opinion which concluded that Mr. Altman was not required to
 10 recuse himself.

11 MR. TURK: Do you want to tell her what the
 12 factors were in the memorandum that was submitted to
 13 Mr. Altman?

14 BY MR. BRAUNREUTHER:

15 Q I believe you already testified that even after
 16 you reached a decision that recusal is not mandatory, there
 17 is a whole other tier of analysis regarding discretionary
 18 recusal.

19 A I'm not sure I can do them off the top of my
 20 head, but there are other factors that you would look at
 21 then to decide whether you should authorize -- if you
 22 conclude a reasonable person would question your

1 impartiality in the matter, then the agency designate can
2 consider a number of factors. These factors are not the
3 universe, but the standards of conduct suggest that there
4 are factors, such as the importance of the matter, the
5 availability of others to make the decision.

6 What you are really doing is, under the standards
7 of conduct, weighing the possible appearance against the
8 agency's interest in having the official participate in the
9 matter. That's the test that you are trying, the balancing
10 test that you are trying to apply.

11 Q These factors that you described which I
12 understand are not intended to be exhaustive --

13 A Correct.

14 Q -- are in the discretionary tier of the analysis;
15 correct?

16 A That's correct. But they would also -- they
17 could also be applied once you have a clear, covered
18 relationship; you could apply those, or in any other
19 situation where the issue arises where you should recuse
20 you might look to those factors as well.

21 Q In determining whether recusal is mandated, you
22 don't need to, or in this case you didn't need to look at

1 those particular factors that you have just described such
2 as the importance of the matter, the availability of
3 others, the particular relationship to the extent it is not
4 a covered relationship; is that right?

5 A In terms of deciding or looking, making a
6 preliminary assessment, is there anything that truly calls
7 for recusal in the situation, no.

8 Q So is it fair to say that an ethical opinion,
9 which was received apparently in this case by Mr. Altman
10 stating that recusal was not mandatory is not intended to
11 be a reflection on these additional factors which need to
12 be taken into account on the second tier of the analysis?

13 A Only if there are factors which are present,
14 other factors that are present that call for analysis
15 whether you should recuse yourself anyway. So it might end
16 the matter to say if somebody raises a matter. It might
17 end it to say there is no covered relationship, no recusal
18 is called for, end the matter. Or as the agency ethics
19 official, you might say but I think we should still look at
20 other factors because I'm still concerned about the
21 matter. It would just depend on the particular matter.

22 Q In this particular case involving Mr. Altman's

1 recusal, did you understand that there was any opinion
2 being offered on these discretionary factors by Mr. Foreman
3 or by yourself?

4 A Certainly not by myself. I understood that
5 Mr. Foreman and Mr. Kucinski were preparing some memorandum
6 for Mr. Altman's consideration. But I did not understand
7 or was not told explicitly what factors were being
8 considered. I understood that factors -- that he would be
9 given factors to consider. But what they were I was not
10 told and did not ask.

11 Q It would be a mistake to conclude that you
12 reviewed these discretionary factors and voiced any opinion
13 as to whether or not recusal was appropriate in light of
14 those factors?

15 A That's correct. I did not participate in that
16 element of the decision.

17 Q And do you have any knowledge that Mr. Foreman
18 reviewed those discretionary factors and articulated an
19 opinion as to whether recusal was warranted?

20 A I have knowledge that he presented some factors
21 to Mr. Altman. I don't know what factors they were. I
22 don't have any knowledge of whether he presented an opinion

1 other than as I testified he indicated, I think, in the
2 February 9 phone call that some leanings, perhaps including
3 his, were that it was not a good idea for Mr. Altman to
4 continue to participate.

5 Q So to the extent that Mr. Foreman did formalize
6 an opinion -- do you understand that he did have a
7 recommendation with respect to mandatory recusal?

8 A I believe he had --

9 Q Let me withdraw that. That he had reached a
10 conclusion that there was no mandatory recusal in this
11 case?

12 A Yes. I believe he had told me that he had
13 concluded, he and Mr. Kucinski had concluded that there was
14 no requirement, no obligation of Mr. Altman to recuse
15 himself but that he was sending him a memo saying here are
16 the factors you should consider in deciding whether to
17 recuse yourself.

18 Q Now, in this range, moving to this discretionary
19 range, which is a range I understand you did not express an
20 opinion and you believe Mr. Foreman did not express any
21 conclusions as to; right?

22 A I just don't have any information about

1 Mr. Foreman's conclusions.

2 Q In the discretionary range?

3 A Right, other than his express.

4 Q One of the things that you mentioned was the
5 importance of the matter. Would you consider it relevant
6 to this discretionary decision as to recusal to know that
7 the decision to recuse or not to recuse could jeopardize a
8 legislative agenda of the President?

9 A Let me just say first it is very hard for me, in
10 the abstract, sort of to look at one factor without knowing
11 everything you are talking about. But what you are looking
12 at generally is this notion of the possible appearance
13 versus the interest of the agency in having the person
14 participate. The interest of the agency could include the
15 general interest of the executive branch in a particular
16 program. I would be very hesitant to answer particulars
17 because you wouldn't normally just look at a factor.

18 Q Right. I don't want you to give me a conclusion
19 as to which way the discretionary decision should go. What
20 I do want to know is whether certain information would be
21 relevant to that discretionary analysis.

22 A It might be something you would consider in a

1 case. Whether you would consider it here or not, I
2 wouldn't speculate. But it might be relevant.

3 Q Would it be relevant to Mr. Altman's
4 discretionary decision for him to consider that in his own
5 mind -- withdrawn.

6 I want to make sure we understand what the
7 decision to be made here was. What do you understand was
8 the decision that Mr. Altman would have to make in this
9 case if he didn't recuse himself?

10 A I'm not sure I understand the question. I'm
11 sorry.

12 Q I will rephrase it. What do you understand was
13 the decision that Mr. Altman would have to make if he
14 didn't recuse himself?

15 A I understood it generally to be participation in
16 the Madison Guaranty matter. I didn't know the particulars
17 of the Madison Guaranty matter and so I wouldn't have known
18 what particular decisions.

19 Q Did you understand that there was a statute of
20 limitations running which was going to expire as of
21 February 28?

22 A I believe that was something Mr. Foreman

1 referenced in the first phone conversation, that that was
2 the first date by which some recusal decision would have to
3 be made.

4 Q Did you understand that a decision whether or not
5 to commence an action in the Madison case would have to be
6 made before the statute of limitations expired?

7 A That's how I understand statute of limitations to
8 apply.

9 Q That's a basic legal principle?

10 A Yes.

11 Q Did you understand in the case of the Madison
12 matter, that the commencement of an action in the Madison
13 case could have implications for the President?

14 A I understood generally that there was some way in
15 which it might touch upon the President. But I honestly
16 did not understand what the particulars were other than
17 that.

18 Q Were you aware that the implications would
19 include the fact that the Madison case, if commenced, could
20 involve the President testifying as a witness or possibly
21 being named in a lawsuit?

22 A I don't recall any specific mention of either of

1 those possibilities.

2 Q Would you consider an action commenced in the
3 Madison case to be -- withdrawn.

4 I believe you testified that Mr. Nussbaum had
5 expressed concern that in Mr. Altman's absence, the
6 decision would fall to a Ms. Kulka and a Mr. Ryan; is that
7 right?

8 A I'm sorry? Repeat your question, please.

9 Q I believe you testified that Mr. Nussbaum
10 expressed to you concern that in Mr. Altman's absence, the
11 decision whether to commence an action would fall to a
12 Ms. Kulka or a Mr. Ryan?

13 A Yes, with the caveat that I believe it is
14 Ms. Kulka or Mr. Ryan. I don't have a specific
15 recollection.

16 Q You don't recall specific names but there were
17 decisionmakers who would have to ultimately decide whether
18 to commence an action?

19 A That's correct.

20 Q And that Mr. Nussbaum was concerned that -- I'm
21 not sure what language you used -- but a fair decision
22 would not be rendered as to whether an action should be

1 commenced?

2 MR. TURK: You want to have the court reporter
3 read back what Ms. Nolan testified to?

4 MR. BRAUNREUTHER: I think I have it down.

5 BY MR. BRAUNREUTHER:

6 Q I believe when you testified earlier, you said
7 Mr. Nussbaum was concerned about an off-the-wall decision.

8 A I think off the wall was a phrase Mr. Foreman
9 used in one of our conversations.

10 Q Did you understand he was articulating a concern,
11 not necessarily his own, that the decisionmakers would make
12 an off-the-wall decision?

13 A Yes. Generally, that's what I understood.

14 Q So ultimately the issue of Mr. Altman's recusal
15 involves who was going to make the decision in his absence;
16 is that right?

17 A No. I wouldn't characterize it that way. That
18 is a consequence of Mr. Altman's recusal. But his recusal
19 involves a number of things, including as I said possible,
20 depending on how it is decided or the basis, possible
21 precedential effect, decisions about what people can do
22 under the Vacancy Act or what political appointees may do

1 within the executive branch. Those are all things that
2 Mr. Altman's recusal might involve.

3 Q When Mr. Nussbaum related to you his concerns
4 about Mr. Ryan and Ms. Kulka making the decision in the
5 action, did he indicate what he -- let me put it this way.

6 What did he tell you about their ability to make
7 a decision in the case?

8 MR. TURK: I would like to object to the
9 question. I think the witness has said she doesn't recall
10 specifically whether he mentioned Ms. Kulka or Mr. Ryan but
11 the decisionmakers.

12 BY MR. BRAUNREUTHER:

13 Q Would it be better for your purposes to refer to
14 them as general counsel of the RTC and the CEO?

15 A I don't remember that he mentioned the
16 positions. What I remember was that he indicated that he
17 knew people below Mr. Altman in the RTC --

18 Q Who would make a decision if he recused himself?

19 A I don't remember that he explicitly said that
20 part, "who would make the decision." That's what I
21 understood, though.

22 Q Did he indicate in any greater detail what his

1 specific concern was about these people who would make the
2 decision?

3 A He indicated a concern about fairness, and I
4 think as I said before, he also said to me in the same
5 conversation that what he was concerned about was the
6 decision about Mr. Altman therefore be made correctly and
7 if he should recuse, of course, he should recuse.

8 Q Was it your understanding that Mr. Nussbaum was
9 concerned that these decisionmakers would unfairly not
10 bring a case?

11 A I really didn't have any understanding one way or
12 the other, other than he was concerned about the fairness
13 of the process.

14 Q Was it your understanding that Mr. Nussbaum was
15 concerned that these decisionmakers would unfairly bring a
16 case?

17 A What I understood was that he was concerned about
18 the fairness of the process.

19 Q And you have no personal understanding whether he
20 was talking about the fairness of a decision to bring a
21 case or not to bring a case?

22 A He did not specify.

1 Q Did you have any understanding yourself about
2 that?

3 MR. TURK: Other than what he said to her?

4 BY MR. BRAUNREUTHER:

5 Q Let me ask you about your own understanding. Did
6 you think he was concerned, given all the circumstances as
7 you knew them, to the extent you knew them, that he was
8 generally concerned that there would be an unfair decision
9 against bringing a case?

10 A Please understand that I was not familiar with
11 the particulars of the Madison Guaranty matter. So all I
12 was able to understand was that he was articulating concern
13 about the fairness of the process. Even at that point I
14 didn't have in mind that there was any particular decision
15 we were talking about. I didn't know if this was several
16 matters or one matter. I can't.

17 Q Is it your testimony that you didn't understand
18 that the particular decision that was then pending and had
19 to be resolved prior to February 28 was a decision as to
20 whether an action should be commenced?

21 MR. TURK: You are saying as of the phone
22 conversation on the evening of February 3?

1 MR. BRAUNREUTHER: Correct.

2 THE WITNESS: I don't recall that I knew that.
3 The next day Mr. Foreman mentioned the statute of
4 limitations. It is quite possible that I was aware of the
5 statute beforehand. But I still didn't know whether that
6 was a matter, several matters, what the statute referred
7 to, whether it was bringing the whole action or some aspect
8 of the case. I did not know.

9 BY MR. BRAUNREUTHER:

10 Q So you never connected in your own mind that his
11 concern about the decisionmakers related to their potential
12 decision as to whether or not to commence an action against
13 Madison or involving the Madison Guaranty case?

14 A What I'm trying to say is I didn't know enough
15 about exactly what was happening in the Madison matter to
16 know what ultimate thing he might be concerned about. What
17 I heard him say and all I was able to relate to was his
18 concern that the process would be unfair.

19 As to the particulars, I just didn't have the
20 information to make the connection.

21 Q I believe when you testified about Mr. Nussbaum's
22 articulated concern about the attorney who he had had

1 experience with in the Kaye, Scholer case, you referred to
2 her as -- you used the language "terrible," that that
3 was -- that terrible is the language Mr. Nussbaum used in
4 speaking to you.

5 A I think he said something about it was terrible
6 or she was terrible. I'm not sure I can recollect
7 specifically.

8 Q Did you understand that to mean that she was
9 incompetent?

10 A I'm not sure.

11 Q Did you understand that to mean that she was too
12 aggressive?

13 MR. TURK: I would like to object to the
14 question. I think the witness has said she doesn't recall
15 whether or not he said it was that she was terrible or it
16 was terrible. Now a series of questions asking what about
17 her was terrible I think is unfair.

18 BY MR. BRAUNREUTHER:

19 Q To the best of your recollection, what was the
20 language that Mr. Nussbaum used to express his concerns?
21 For purposes of clarification, the general counsel at the
22 time was Ellen Kulka. I understand you do not know her

1 particular name. But it would simplify the questioning if
2 we used the name Ellen Kulka, which I represent to you
3 independently is the person at the RTC who was general
4 counsel at that time.

5 A So long as it is understood that I am
6 understanding Ellen Kulka to mean that I am referencing a
7 person that Mr. Nussbaum was speaking to me about but that
8 I don't recollect the specific name.

9 Q The person you are referencing is a person
10 Mr. Nussbaum had a prior experience with during his
11 representation of Kaye, Scholer; is that correct?

12 A That's correct.

13 Q This person apparently was on the other side
14 employed by the OTS when Mr. Nussbaum had this experience
15 with her in the past?

16 A Yes.

17 Q I believe the record will show that person was
18 Ellen Kulka. So with that understanding, moving forward,
19 using Ellen Kulka's name.

20 When Mr. Nussbaum spoke about his concern
21 regarding Ellen Kulka, I take it he wasn't concerned about
22 her past performance but was concerned about what would

1 happen if Mr. Altman was recused going forward; is that
2 correct?

3 A As I have said, my recollection of this is
4 fuzzy. It was a very brief reference. What I do
5 recollect, though, was that he was concerned based on his
6 experience with Ms. Kulka that he did not consider her to
7 be fair. I just don't remember the other parts of that
8 discussion. It was not lengthy.

9 Q Now I think you also said that it was your
10 impression that this was a very important matter to
11 Mr. Nussbaum and that he did, in fact, ask you to move on
12 this rather quickly; is that right?

13 A He asked me to talk with Mr. Foreman the next
14 morning, yes.

15 Q Did you have the impression that this was very
16 important to Mr. Nussbaum?

17 A Yes, I did.

18 Q Did you also have the impression that the
19 decision which ultimately would have to be made by
20 Ms. Kulka was a very important decision?

21 A Yes, I did.

22 Q And it was on that basis that he wanted you to

1 get involved to participate in the process of evaluating
2 the recusal decision; right?

3 A What I understood was that he thought the recusal
4 decision was very important, and he wanted to make sure
5 that the person he knew knew the ethics laws, the person
6 who had experience with in interpreting the ethics laws and
7 whose expertise he valued was sure that the process was
8 being decided correctly or appropriately.

9 Q Is it fair to say that as a matter of simple
10 logic, there is a direct correlation between the importance
11 of the recusal decision and the importance of the
12 underlying consequences if recusal goes forward?

13 MR. TURK: I'm not sure I understand that
14 question.

15 BY MR. BRAUNREUTHER:

16 Q Is it fair to say as a matter of basic logic that
17 there is a correlation between the importance of
18 Mr. Altman's recusal decision and the underlying decision
19 that would have to be made by Ms. Kulka if a recusal was
20 made?

21 A Again, I can only tell you what Mr. Nussbaum told
22 me. I guess I would leave the connections to you there.

1 What I understood him to say is this is a very important
2 matter. One of the things he mentioned but only briefly
3 was he was concerned about the substitute decisionmakers in
4 the matter.

5 What he emphasized was it was important that the
6 decision be made properly, it was important that the
7 decision be made right. He didn't want everybody just sort
8 of jumping to the conclusion that someone suggested
9 recusal, go ahead and recuse, and asked me to be sure I
10 spoke with the ethics official at Treasury.

11 Q I believe you testified earlier that we had
12 talked about that there were three issues which
13 Mr. Nussbaum identified for you, the Vacancy Act, the
14 mandatory recusal and discretionary recusal?

15 A Those were issues Mr. Foreman identified.
16 Mr. Nussbaum did not identify particular issues.

17 Q In your discussions with Mr. Nussbaum, did you
18 understand he was asking you to develop any kind of a view
19 or provide any opinion with respect to the discretionary
20 recusal?

21 A I did not.

22 Q So was it your understanding that Mr. Nussbaum

1 wanted you to make sure that the issue of mandatory recusal
2 was decided through a proper process and was not looking
3 for an opinion as to discretionary recusal from you?

4 A I think in a way that is sort of blending two
5 things that happen. What I understand Mr. Nussbaum to ask
6 me was to get on the case and make sure that it was being
7 decided properly. That was what I understood my
8 instructions from Mr. Nussbaum to be, that he wanted to be
9 sure that I was comfortable with however the decision was
10 going to go forward. But I didn't understand him to give
11 me instructions about how to proceed beyond please talk
12 with Mr. Foreman.

13 As to mandatory versus discretionary recusal, I
14 doubt very much that I, other than alerting Mr. Nussbaum to
15 my conversation with Mr. Foreman, on that basis had any
16 further discussion. I don't believe I had any detailed
17 discussion about the process or the underlying matter with
18 Mr. Nussbaum.

19 Q You already testified you didn't have the facts
20 to the extent that we get into the discretionary material
21 about the analysis?

22 A That's correct.

1 Q I believe you testified that it was
2 Mr. Nussbaum's view that if recusal was required, then
3 Mr. Altman should recuse himself but that if it wasn't
4 required, then he shouldn't recuse himself; is that
5 accurate?

6 A Yes. I remember him saying if he should recuse
7 himself, he should recuse himself. If he shouldn't, he
8 shouldn't.

9 What is important is to understand that I was not
10 having conversations with Mr. Nussbaum about the fine
11 distinctions between mandatory versus discretionary
12 recusal. So when he said that, it did not mean to me that
13 if he absolutely has to, okay, but otherwise not. What I
14 understood him to be saying is if in light of everything he
15 should recuse himself, then he should but I don't want
16 everybody assuming that he should.

17 Q I understood that Mr. Nussbaum wanted you to
18 follow up on the issue but you did not follow up on any of
19 the issues pertaining to the discretionary recusal; is that
20 right?

21 A I understood him to ask me to be sure that I
22 thought it was being decided properly. Once I did that,

1 and really that was in the first phone conversation with
2 Mr. Foreman. The second was just a quick conversation I
3 had with him to clarify something that arose in the first.

4 The third conversation was one Mr. Foreman
5 initiated because he read about Ricky Tigert in the
6 newspaper. I didn't and wouldn't have initiated it. The
7 fourth one came up merely because I called him up about
8 another matter and he mentioned it. I saw my role as quite
9 limited and accomplished in the first phone call.

10 Q Do you have an opinion about whether or not it
11 would be appropriate for the President himself to exercise
12 any influence on Mr. Altman's discretionary decision to
13 recuse himself?

14 A I haven't looked at that issue.

15 Q Do you have an opinion about it?

16 A Not without looking at it.

17 Q Have you given any thought to that issue as you
18 heard these issues raised in the press and in anticipation
19 of giving testimony before the Senate?

20 A About whether the President himself should do
21 so?

22 Q No. Once we get into the discretionary range --

1 let me rephrase it.

2 I believe we have agreed that there is at some
3 point a number of factors which Mr. Altman had to consider
4 in exercising his discretion whether to recuse or not to
5 recuse himself; is that right?

6 A What I believe I have testified to is that
7 Mr. Foreman indicated to me that he had forwarded a
8 memorandum to Mr. Altman outlining factors, unknown to me
9 what they were, for Mr. Altman to consider in determining
10 whether to recuse himself.

11 Q In this case, once Mr. Altman is clear to make
12 his discretionary decision, do you believe it would be
13 appropriate for the President to in any way influence in
14 which direction he exercises discretion with respect to
15 recusal?

16 A I really can't give you an opinion on that. It
17 is not one I have looked at.

18 Q So, as you sit here today, you don't necessarily
19 disagree -- as you sit here today, you have no reason to
20 believe it would be inappropriate for the President to say
21 to Mr. Altman, I don't think you should recuse yourself?

22 MR. TURK: I don't believe that's what she said.

1 You asked her to express a legal opinion and she said she
2 is not in a position to do so without going back and
3 researching it.

4 BY MR. BRAUNREUTHER:

5 Q Let's make sure we are talking about an ethics
6 opinion.

7 A A legal ethics opinion.

8 Q You don't feel comfortable, based on your
9 background, in giving an opinion today as to whether it
10 would be appropriate for the President himself to influence
11 Mr. Altman's decision whether or not to recuse himself?

12 A That's correct.

13 Q So as far as -- and I take it that you don't have
14 an opinion whether or not it would be appropriate for the
15 President to have called Mr. Altman -- and I'm not
16 suggesting this happened -- to call Mr. Altman and say,
17 look, Roger, I want you to make this decision, it is very
18 important to me?

19 A I don't have an opinion; that's correct.

20 Q As you sit here now, you can't identify anything
21 wrong with White House counsel acting on behalf of the
22 President attempting to influence Mr. Altman's decision

1 with respect to recusal?

2 A I don't -- as I said, I would research the
3 question if I were given the facts that we are talking
4 about. I haven't done so. I don't have an opinion on
5 that. I don't -- to the extent I had these conversations
6 with Mr. Foreman, I don't view those as attempts to
7 influence Mr. Altman's recusal decision. But I don't have
8 an opinion on whether that would be appropriate or not.

9 Q Do you believe it would have been appropriate for
10 Mr. Nussbaum to communicate to Mr. Altman how important
11 this decision is to the President and that the White House
12 counsel's office would prefer that Mr. Altman not recuse
13 himself?

14 A I don't have an opinion on that without looking
15 at it, knowing the facts, researching it.

16 MR. KRAVITZ: I think I should just state for the
17 record that these should be viewed as hypothetical
18 questions and I don't know of any evidence in the record
19 that supports that question, at least specifically.

20 BY MR. BRAUNREUTHER:

21 Q I'm trying to get to an ethics analysis here. My
22 questions are intended to be limited to pressure -- my

1 questions are limited to the hypothetical scenario where
2 pressure is exerted either by the President or the White
3 House counsel's office on Mr. Altman to recuse himself or
4 not for recuse himself.

5 Did you understand that?

6 A Yes.

7 Q I don't want you taking away from here any
8 particular understanding of the facts because that is not
9 my intention.

10 A Yes.

11 Q Having said that, I assume it is still your
12 opinion that you don't have an opinion as to whether or not
13 it would be appropriate for the President or White House
14 counsel's office to purposely attempt to influence
15 Mr. Altman's decision as to recusal?

16 A That's correct.

17 MR. TURK: Off the record.

18 (Discussion off the record.)

19 BY MR. BRAUNREUTHER:

20 Q Do you have an opinion as to whether or not it
21 would be appropriate for Mr. Altman to allow the White
22 House counsel's office view of his recusal to affect his

1 decision?

2 A Without researching it and knowing all the facts
3 involved, I don't have an opinion.

4 Q Can you tell me the facts you would like to know?

5 A I still am not going to be able to tell you the
6 research I need you to do. I'm not sure it would be very
7 helpful.

8 Q Do you see any restrictions on the party who --
9 let's take a hypothetical situation here.

10 We have a decisionmaker who faces a potential
11 conflict of interest with a close friend. Do you think it
12 is relevant to that analysis, the discretionary analysis of
13 recusal that the close friend influences his decision in
14 one way or another?

15 A Well, I'm afraid I'm going to have to be very
16 boring and say that without knowing the particular facts
17 and without having a chance to look and do what I normally
18 do when I look at an issue, which is research it, think
19 about it, perhaps talk to other people, I'm just not
20 comfortable giving a legal opinion.

21 Q What is it about it that makes it so difficult to
22 give an ethics opinion on short notice?

1 A You think my job is that easy?

2 Q No, I don't. Let me ask you. Based on
3 everything you said, I would assume you would agree that in
4 order to get an ethics opinion, one would have to first ask
5 for an ethics opinion; correct?

6 A Well, let me explain. If somebody calls me and
7 says gee, what is your preliminary view on something, and I
8 am able to make clear I have a preliminary view but I'm
9 going to have to go think about it, I am going to give
10 certain advice but only after I have thought about it more
11 carefully, I might be able to do that.

12 When I am under oath and may be held accountable
13 for my off-the-top legal opinion, I'm not likely to give
14 one. That's the difference.

15 Q Have you ever given one without knowing you were
16 giving one?

17 A I don't know. I think that is sort of like if a
18 tree falls in the forest --

19 MR. KRAVITZ: Actually a very relevant question.

20 BY MR. BRAUNREUTHER:

21 Q Were you ever apprised of the fact that one of
22 the justifications offered for Mr. Altman's contact with

1 the White House on February 2 was that he had ethical
2 clearance in advance of the meeting?

3 A I heard that after the events became public.

4 Q What do the terms "ethical clearance" connote to
5 you in a general sense?

6 A It assumed to me that he had asked someone
7 probably in the counsel's office, perhaps the ethics
8 officer --

9 Q I believe the particular reference pertains to a
10 contact between general counsel, Jean Hanson at Treasury,
11 and Mr. Foreman.

12 A Well, that would be the general counsel and the
13 ethics officer.

14 Q What does your understanding of ethical clearance
15 mean?

16 A It is not a term of art. So it doesn't have any
17 particular meaning to me other than as I said it. I would
18 assume that that meant that the employee had raised the
19 matter with someone who was in a position to render an
20 opinion. It could be quite informal. It might be
21 written. It wouldn't mean either of those things.

22 Q In order to obtain an ethical clearance, which is

1 the language that was used, would it be necessary to
2 discuss or disclose the surrounding facts?

3 A Well, again, if somebody -- it would depend what
4 somebody was asking as to what you needed to know.

5 Q In your opinion, would it be an ethical clearance
6 if someone failed to even mention ethics or clearance in
7 the discussion?

8 A The word "ethics" in the government ethics
9 business is used to refer to all sorts of things, standards
10 of conduct, regulations, rules, general policies,
11 principles. So it is quite possible that the word "ethics"
12 wouldn't come up when what you really mean is
13 appropriateness clearance or policy clearance. But we are
14 really getting here in the realm of speculation again.

15 Q From what you testified to earlier, I thought you
16 had a rather formalistic approach to analyzing these issues
17 before you would give the kind of ethical opinion which I
18 had requested earlier in the testimony.

19 A I think that if I were going to give an opinion
20 that someone was going to rely on, I would want to know the
21 particulars that I was giving an opinion on.

22 Q Would you want to know that you were giving an

1 opinion?

2 A I think here you are in command of all sorts of
3 facts I'm not. So I don't know how to answer that.

4 Q Would you want to have all the facts before you
5 gave -- if someone was going to rely on an ethical
6 clearance which you were going to provide, would you want
7 to have the critical facts?

8 A The facts that are critical to that clearance?

9 Q Yes.

10 A Yes, I would prefer to have them.

11 Q To the analysis?

12 A Yes.

13 Q Would you want to be aware you were being relied
14 upon for an ethical opinion?

15 MR. TURK: I will have to object to that
16 question. It borders on argumentative. How can she be
17 rendering an ethical opinion if she doesn't know she is
18 rendering an ethical opinion?

19 BY MR. BRAUNREUTHER:

20 Q Do you agree with that statement by your
21 attorney?

22 A I would not be considering myself to be rendering

1 an ethical opinion unless I knew that. But I cannot tell
2 you in the whole universe that there might not be a
3 situation where I did so. But off the top of my head,
4 that's correct.

5 Q Are you generally familiar with the requirement
6 that criminal referrals be maintained as confidential
7 materials?

8 A I am not generally familiar with the area of
9 criminal referrals.

10 Q Do you have any familiarity with the handling of
11 confidential information?

12 A Confidential information? Yes, I have some
13 familiarity with that.

14 Q Assuming the hypothetical that a criminal
15 referral is in fact confidential information, have you ever
16 seen or heard in your experience as an ethics officer any
17 justification for releasing confidential information based
18 on the fact that there was an imminent press release?

19 MR. TURK: Can you repeat the question and leave
20 the part out about a criminal referral, since she doesn't
21 know anything about those.

22 BY MR. BRAUNREUTHER:

1 Q Are you aware of any exception to the requirement
2 that certain materials be maintained confidentially --
3 withdrawn.

4 In a situation where you are dealing with
5 confidential information, are you aware of any
6 justification for releasing the confidential information
7 based on the fact that there has been a press inquiry with
8 respect to that information?

9 A Generally my understanding is that confidential
10 information is released as is needed by the government. I
11 just am not familiar particularly with whether that would
12 include a press response or not. I don't have any
13 information to believe it would or would not.

14 Q Do you have any experience in the handling of
15 confidential information?

16 A I do, but I have never been faced with that
17 particular situation where the information was being
18 released for that purpose.

19 Q So if you were to search your experience, you are
20 unaware of any situation in which confidential information
21 was released based on notice that there was an imminent
22 press leak?

1 A I am unaware whether there are any specific rules
2 about that with respect to the handling of confidential
3 information.

4 Q When Mr. Nussbaum contacted you regarding this
5 matter and asked you to get involved in the recusal
6 process, did he communicate to you any of the facts
7 underlying the case?

8 A I don't recollect that he did, no.

9 Q Did he communicate any of the proposed causes of
10 action underlying the decision that needed to be made as to
11 whether an action should be commenced or not?

12 A No, I don't recall that he did.

13 Q You did know it pertained to the Madison Guaranty
14 case; correct?

15 A Yes, I did.

16 Q Beyond the fact that it pertained to the Madison
17 Guaranty matter and that the President and First Lady were
18 implicated, did you have any additional facts?

19 Let me ask you, beyond the fact that it pertained
20 to Madison Guaranty, did he give you any additional facts?

21 A I don't recall any additional facts.

22 Q Did you have an understanding that this was a

1 matter that involved the President and the First Lady?

2 A I had a general understanding that the Whitewater
3 matter and the Madison Guaranty matter had some
4 connection --

5 Q Did you have any --

6 A -- and that that had been an investment of the
7 President and First Lady, that Whitewater had been an
8 investment of the President and First Lady.

9 Q Would it have been necessary in the discretionary
10 analysis of the recusal issue to have more facts with
11 respect to that?

12 A It is hard for me to know. I don't even know
13 what factors were being looked at. Sort of what facts you
14 need depend on what factors you would be looking at depend
15 upon what facts you would need to put the picture
16 together.

17 Q You did not have those facts so you couldn't put
18 that picture together?

19 A That's correct.

20 Q Is it appropriate in your view for the designated
21 agency ethics officer of Treasury to consult with the CEO
22 of the RTC with respect to an ethics decision, a recusal

1 decision?

2 A I don't have any information or knowledge of
3 that.

4 Q You did understand that Mr. Altman during this
5 time frame was both Deputy Secretary --

6 A Both Deputy Secretary and CEO, yes.

7 Q Yes.

8 A I don't understand the question you are asking
9 about the Treasury ethics official and the --

10 Q Did you understand that the recusal decision
11 pertained to Mr. Altman's position as CEO of the RTC?

12 A I did.

13 Q When you talk about a recusal decision for the
14 CEO of the RTC, would you look to the designated RTC ethics
15 officer for that decision or would you look to the
16 Treasury?

17 A Because of Mr. Altman's dual role, it seems to me
18 that both Mr. Foreman and Mr. Kucinski were involved. But
19 I can't say anything more than that. I didn't look at the
20 question.

21 Q Did you understand at the time what the precise
22 relationship is between Treasury and the RTC?

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1 A I'm not sure what you mean by that.

2 Q Did you understand the relationship between the
3 Treasury and the RTC?

4 MR. TURK: You mean structurally?

5 MR. BRAUNREUTHER: Yes.

6 THE WITNESS: No.

7 BY MR. BRAUNREUTHER:

8 Q To the extent that you expressed any views, that
9 didn't take into account whether Mr. Altman was involved in
10 his capacity as CEO of the RTC or as Deputy Secretary of
11 the Treasury?

12 A That's correct, because what I was concerned
13 about was the sort of general issues about whether a
14 political appointee should be thereby precluded from
15 deciding the matter and making sure that the matter was
16 decided properly. But as I understood it, Mr. Foreman was
17 going to be speaking with Mr. Kucinski and did, in fact, do
18 so and that those factors would all be considered.

19 MR. BRAUNREUTHER: I have no further questions.

20 MR. KRAVITZ: I have one short question.

21 EXAMINATION

22 BY MR. KRAVITZ:

1 Q You testified that on February 25 you contacted
2 Dennis Foreman to ask his advice on an unrelated ethics
3 issue that you were addressing?

4 A That's correct.

5 Q Does the fact that you contacted Mr. Foreman to
6 seek out his advice on an ethics issue give an indication
7 of the level of respect that you had for Mr. Foreman's
8 judgment on ethics issues?

9 A Yes, I think it does. I also was contacting
10 Mr. Foreman because it was a matter related to his agency.

11 Q Does the fact that you contacted Mr. Foreman to
12 seek his advice indicate that you held him in high esteem
13 and you respected his judgment?

14 A Yes, it does.

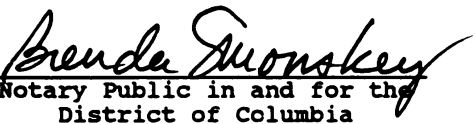
15 MR. KRAVITZ: That's all I have. Thanks.
16 (Whereupon, at 5:55 p.m., the deposition was
17 concluded.)

18
19 -----
20 BETH NOLAN
21
22

CERTIFICATE OF NOTARY PUBLIC & REPORTER

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I, BRENDA M. SMONSKEY, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn; that the testimony of said witness was taken in shorthand and thereafter reduced to typewriting by me or under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and, further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.


Notary Public in and for the
District of Columbia

My Commission Expires APRIL 14, 1996

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September 20, 1994

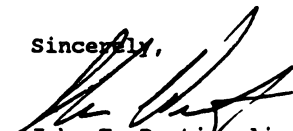
Mr. Tim Mitchell
Committee on Banking, Housing
and Urban Affairs
United States Senate
Washington, D.C. 20510

Dear Mr. Mitchell:

Pursuant to our phone conversation of this date, I have enclosed corrections to the transcript of Beth Nolan's deposition before the staff of the Committee on Banking, Housing and Urban Affairs on July 21, 1994, in connection with the Whitewater hearings. I would appreciate your including these corrections in any printed or published version of the Committee's proceedings on this matter.

If you have any questions, please do not hesitate to contact me at (202) 833-6536.

Sincerely,


John T. Bentivoglio

Enclosure

**CORRECTIONS TO
DEPOSITION OF BETH NOLAN, ASSOCIATE COUNSEL
TO THE PRESIDENT, BEFORE THE SENATE COMMITTEE ON BANKING,
HOUSING AND URBAN AFFAIRS, JULY 21, 1994**

Page 7 - line 19 Judge "Seit" s/b^{1/} "Seitz"

Page 17 - line 10 no comma before "contacts" and "memos"

Page 25 - line 19 "not sure that" s/b "not sure what"

Page 33 - line 21 "precedental" s/b "precedential"

Page 34 - line 2 "precedental" s/b "precedential"

Page 40 - line 14 "sort of" s/b "who is"

Page 43 - line 8 "precedental" s/b "precedential"

Page 56 - line 14 "precedental" s/b "precedential"

Page 56 - line 16 no period after "present"

line 17 period after "recusal. He concluded. . ."

Page 58 - line 11 "precedental" s/b "precedential"

Page 61 - line 11 "precedental" s/b "precedential"

Page 63 - line 20 quotes around "it's not a very good idea"

Page 66 - line 17 "patterns" s/b "appearance"

Page 70 - line 3 "precedental" s/b "precedential"

Page 70 - line 12 "precedental" s/b "precedential"

Page 72 - line 8 delete "was"

Page 76 - line 2 "755" s/b "753"

Page 82 - line 1 "if there was no ultimate resolution" s/b "but there was no ultimate resolution"

Page 90 - line 22 "date" s/b "day"

Page 96 - line 13 "precedental" s/b "precedential"

1/ "s/b" is abbreviation of "should be."

Page 98 - line 17 "3635.502" s/b "2635.502"
 Page 109 - line 19 comma before "as I said"
 Page 109 - line 21 "precedental" s/b "precedential"
 Page 119 - line 5 "happens" s/b "happened"
 Page 119 - line 5 "understand" s/b "understood"
 Page 126 - line 6 delete "you"
 Page 127 - line 13 "off-the-top" s/b "off-the-wall"

**DEPOSITION OF CLIFFORD M. SLOAN
IN RE: S. RES. 229**

THURSDAY, JULY 21, 1994

**U.S. SENATE,
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
Washington, DC.**

Deposition of CLIFFORD M. SLOAN, called for examination pursuant to notice of deposition, at 9:10 a.m. in Room SC-06 of the Capitol, before BRENDA M. SMONSKEY, a Notary Public within and for the District of Columbia, when were present:

**NEAL E. KRAVITZ, Esq.
Majority Deputy Special Counsel
DOUGLAS EPSTEIN, Esq.
Majority Counsel
JOSEPH G. BRAUNREUTHER, Esq.
Minority Deputy Special Counsel
DOUGLAS R. NAPPI, Esq.
Republican Counsel
Committee on Banking, Housing, and Urban Affairs
U.S. Senate
On behalf of the Committee.**

**PETER J. ROMATOWSKI, Esq.
STEPHEN M. BYERS, Esq.
KAREN DEAKINS, Esq.
Crowell & Moring
1001 Pennsylvania Avenue, NW
Washington, DC 20004-2595
On behalf of the Deponent.**

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EXHIBITS

Clifford M. Sloan DEPOSITION NUMBER	IDENTIFIED
Exhibit 1 (S. RES. 229)	3, 155

P R O C E E D I N G S

Whereupon,

CLIFFORD M. SLOAN

was called as a witness and, having first been duly sworn,
was examined and testified as follows:

(Sloan Exhibit 1 identified.)

EXAMINATION

BY MR. KRAVITZ:

Q Mr. Sloan, please start by stating your full name
for the record.

A Clifford Myer Sloan.

Q Your last name spelling?

A S-l-o-a-n.

Q Mr. Sloan, my name is Neal Kravitz. I am the
deputy special counsel for the Senate Banking Committee on
the majority side for purposes of the Madison/Whitewater
investigation. With me is Joe Braunreuther from the
minority side. As you know, you are here for a deposition
this morning which has been authorized by Senate Resolution
229 which we have had marked as Exhibit Number 1 for
purposes of this deposition.

Have you had an opportunity to review Exhibit

Number 1?

A I am not certain if I have ever actually reviewed
the entire resolution.

Q Your lawyer actually gave that to me this
morning. I am assuming that he has reviewed it. If you
would like to take a moment to review it, you certainly
can.

A That's okay.

Q If at any point you want to take a few minutes
and review the exhibit, just let us know.

A Okay.

Q As you may know, the resolution limits the
Senate's inquiry at this point to three areas. The first
being an investigation into communications between White
House officials and Treasury Department and RTC officials
relating to Madison Guaranty Savings & Loan and/or the
Whitewater Development Corporation. The second area is the
Park Police Department's investigation of the death of
Vincent Foster. The third area is the handling at the
White House of documents that were in Mr. Foster's office
at the time of his death.

I'm going to be asking you questions that are

5

1 intended to elicit only information that is potentially
2 relevant to one or more of those three areas. We would
3 like you to limit your answers to the extent that you can
4 to information that is potentially relevant to any of those
5 three areas.

6 If I ask you a question, the complete, truthful
7 answer to which includes information that is not even
8 potentially relevant to any of those three areas, what we
9 would like you to do is just tell us that that is the case
10 and we will figure out, either just the two of us or with
11 your lawyers involved, how best for you to tailor your
12 answers so as not to go outside the scope of the Senate's
13 inquiry.

14 Do you understand that?

15 A Yes.

16 Q I think the point is don't give an incomplete
17 answer simply because some of the information is irrelevant
18 without telling us that's what you are doing.

19 A Okay.

20 Q I'm going to be asking you a series of questions
21 and, as I'm sure you are aware, the deposition rules
22 require you to answer those questions under oath to the

6

1 best of your memory and ability. When I'm finished,
2 Mr. Braunreuther will ask you a series of questions on
3 behalf of the minority members of the committee. We have
4 been trying the best we can not to be repetitive, although
5 it is impossible not to be at all repetitive. We both
6 apologize in advance. We are trying to do this as
7 efficiently as we can.

8 If at any point I ask you a question that you
9 don't understand or you have any doubt whether you
10 understand, ask me for clarification before you answer it.
11 We are not interested in getting answers to questions you
12 don't understand.

13 If at any point during the deposition you think
14 back to an earlier answer that you have given and you think
15 that you would like to add something or put something in a
16 different way or change anything about your earlier answer,
17 that's fine. Just let us know. We can jump back to any
18 previous answer at any time during the deposition.

19 Do you understand that?

20 A Yes.

21 Q You obviously know that you have a right to
22 counsel at this deposition. There are three lawyers here.

7

1 If at any point you would like to confer with any of your
2 lawyers, let us know and we will break and go off the
3 record and you can confer with your attorneys in private.

4 A Okay.

5 Q We will plan to take breaks every hour or hour
6 and a half for a couple of minutes. If in between those
7 break periods you would like to get up and take a few
8 minutes off, just let us know and we can break at any time
9 that is comfortable for you.

10 A Okay.

11 Q The transcript of the deposition will be prepared
12 probably within the next 48 hours. It will be here at the
13 Senate available for your review. Unfortunately I don't
14 think we are going to be able to send it to you, as might
15 be the case in a typical civil litigation setting, because
16 of confidentiality requirements that have been imposed on
17 us by the White House and other agencies that have provided
18 us documents.

19 So as soon as the procedures are set for the
20 review of transcripts by witnesses, we will certainly be
21 getting in touch with you. If you want to review your
22 transcript before you have heard from us, just contact the

8

1 committee and arrangements will be made for you to come
2 over to the Senate and review the transcript in a
3 confidential setting.

4 Do you or any of your lawyers have any questions
5 before we start?

6 MR. ROMATOWSKI: No.

7 BY MR. KRAVITZ:

8 Q I want to go over your background just very
9 briefly. Maybe if you could start with college and just
10 work forward from there up until the time you got to the
11 White House counsel's office.

12 A Okay. I graduated from Harvard College in 1979.
13 I worked a summer as a researcher on a book. And after
14 that I went to work for Congressman Sidney Yates from
15 Chicago. I worked for him until 1981 when I left to go to
16 Harvard Law School. I graduated from law school in 1984.
17 I clerked on the U.S. Court of Appeals for the D.C. Circuit
18 for Judge J. Skelly Wright for the 1984 to '85 term. I
19 then clerked on the Supreme Court for Justice John Paul
20 Stephens for the 1985-86 Supreme Court term.

21 I spent a few months that fall at Harvard on a
22 project supported by Harvard in the 20th century fund on

9

1 presidential debates. In January of 1987, I went to work
2 for the independent counsel on the Iran-Contra matter. I
3 worked there until approximately November or December of
4 1988. I went to a law firm for about seven or eight months
5 and joined the Solicitor General's office in the summer of
6 1989. I worked there until the fall of 1991. I left there
7 to go to the law firm of Mayer, Brown & Platt where I
8 became a partner and left in May of -- in June of 1993.

9 I started coming into the White House regularly
10 in late May of 1993. My official starting date was, I
11 believe, June 14, 1993. At that time I became an associate
12 counsel to the President.

13 Q What was the name of the law firm that you worked
14 at between your position with the Iran-Contra independent
15 counsel and when you went to the Solicitor General's
16 office?

17 A Onek, Klein & Farr.

18 Q Is that the same Klein as the Joel Klein who is
19 deputy White House counsel now?

20 A Yes, it is.

21 Q Your official starting date in the White House
22 was June 14?

10

1 A I believe that's correct, yes.

2 Q Have you been in the White House counsel's office
3 continuously since June 14, 1993?

4 A Yes.

5 Q What have your duties and responsibilities been
6 as associate counsel to the President since June 14, 1993?

7 A They involve a range of matters, sometimes
8 constitutional issues, legal policy issues, special
9 projects and assignments that I get from time to time.

10 Q Do you specialize in any area within the White
11 House counsel's office?

12 A To some extent I specialize in constitutional
13 issues, but I have a varied portfolio.

14 Q How many lawyers are there in the White House
15 counsel's office?

16 A There is the counsel, the deputy counsel and
17 there are six or seven associate counsel. There are also
18 detailees from different agencies who help on particular
19 matters. There are, at this point, I think, three
20 assistant counsel as well on a full-time basis.

21 Q Assistant counsel is lower than associate
22 counsel?

1 A Yes.

2 Q Who do you report to as associate counsel? Who
3 have you reported to over the past year?

4 A I report to the counsel and to the deputy
5 counsel.

6 Q So you initially reported to Mr. Nussbaum?

7 A And Mr. Foster. Then we didn't have a deputy
8 counsel for a while and I was reporting just to
9 Mr. Nussbaum. Mr. Klein came on. I was reporting to
10 Mr. Nussbaum and Mr. Klein. Since Mr. Cutler has come on I
11 report to him and Mr. Klein.

12 Q Does anyone report directly to you?

13 A Well, if there are assistant counsel or detailees
14 who are working on projects under my supervision, they
15 will. And I sometimes work on matters with other associate
16 counsel where it is a collaborative relationship.

17 Q Do you work with White House staff members
18 outside the White House counsel's office?

19 A Yes.

20 Q In what types of circumstances?

21 A A wide range of circumstances. If there are
22 issues that involve liaison with different groups, our

1 public liaison people I would work with. If there are
2 matters involving domestic policy, I would work the
3 domestic policy people. If there are press matters, I
4 would work with the press people. It is a wide range of
5 issues in which I would work with other people in the White
6 House.

7 Q When you joined the White House counsel's office
8 in May or June of 1993, did you receive any training in the
9 area of government ethics?

10 A Yes.

11 Q Could you describe that training for us.

12 A I remember -- in the first several weeks of my
13 being there, there was, I believe, a briefing on government
14 ethics and some written material.

15 Q Who provided the briefing?

16 A I believe that it was provided by Beth Nolan, who
17 is the associate counsel who is responsible for government
18 ethics.

19 Q Within the White House counsel's office?

20 A Yes.

21 Q How many people attended that briefing?

22 A I don't recall exactly. I think it was in a

13

1 large room in the Old Executive Office Building on the
2 fourth floor. I don't remember exactly how many people
3 were there.

4 Q Was it for staff members outside the White House
5 counsel's office or limited to White House counsel's office
6 people?

7 A It included other White House staff people as
8 well.

9 Q What is your best memory as to how long the
10 briefing lasted?

11 A It is hard to estimate. An estimate would be 30
12 minutes, but that is an extremely rough estimate. I should
13 also add we also received a similar security briefing. It
14 is a little bit hard to separate the two in my mind in
15 terms of length of time and occasion.

16 Q During this briefing that Ms. Nolan provided to
17 you, did she talk at all about the subject of
18 communications between White House staff members and
19 officials at independent agencies?

20 A Not that I recall.

21 Q You mentioned that there were some written
22 materials that were provided to you either as part of the

14

1 briefing or at some other time on the subject of government
2 ethics. Do you know whether any of these written materials
3 addressed the subject of communications between White House
4 staff people and officials at independent agencies?

5 A I don't think that the materials in the ethics
6 briefing that we have been discussing referred to them, not
7 to the best of my recollection.

8 Q Have you ever seen any other materials that have
9 been provided to you since you joined the White House
10 counsel's office that addressed the subject?

11 A Yes.

12 Q In what context have you seen those materials?

13 A There are internal memos that were distributed
14 within the White House from Bernard Nussbaum and sometimes
15 with an associate counsel's name on it that I saw when I
16 came into the office.

17 Q I am going to show you a series of four
18 memoranda -- actually, before I show you these let me make
19 a comment on the record how we are going to deal with
20 documents in the deposition.

21 As a result of an agreement between the Senate
22 and the White House regarding the confidentiality of White

15

1 House documents, we can't make extra copies of any of the
2 documents that have been provided to us by the White
3 House. As a result, we can't mark the documents as
4 exhibits and end up attaching them to the deposition
5 transcript. What we do is just refer to them by the Bates
6 stamp number, and the documents -- the Bates stamp number
7 will appear in the transcript and the documents will be
8 available in our files if and when you or anyone else need
9 to review the deposition transcript.

10 I am going to show you four documents, the first
11 one is a February 22, 1993 memorandum from Mr. Nussbaum and
12 Steven Neuwirth, and it is Bates stamp numbers Y1 through
13 Y7. The second document is a March 9, 1993 memorandum from
14 Mr. Nussbaum and Neuwirth, Bates stamped Y8 through Y10.
15 The third document is a May 4, 1993 memorandum from
16 Mr. Nussbaum and Mr. Neuwirth Bates stamp numbers Y11
17 through Y12. The final document is a July 2, 1993
18 memorandum from Mr. Nussbaum and Mr. Sloan with the Bates
19 stamp numbers Y13 through Y15.

20 I show you these four exhibits and ask if these
21 are the internal memoranda you were referring to.

22 A Yes, they are.

16

1 Q Obviously a couple of those memoranda were
2 written before you arrived at the White House?

3 A Three of the four that you have here were written
4 before I arrived at the White House.

5 Q What is your understanding as to the purpose for
6 each of the first three memoranda, if you know?

7 A The purpose I believe is stated in the memoranda,
8 is to provide guidance about contacts with agencies.

9 Q Do you know if that had come up as a problem
10 issue before these memoranda were written or if these
11 memoranda were written really more as a preventative way?

12 A Which memoranda are you referring to?

13 Q Why don't we start with the first one.

14 A Let me talk about the first three. To the extent
15 that I have knowledge of the reason for these memoranda, it
16 is my understanding that it was a standard practice in the
17 White House and in past White Houses to issue guidance
18 along these lines about the subject. That was my
19 understanding of the reason for the memoranda.

20 Q What is that understanding based on?

21 A Comments by Steve Neuwirth.

22 Q Did Mr. Neuwirth explain to you why there was a

17

1 need for two follow-up memoranda following the first
2 memorandum?

3 A I don't know if he explained it. My reading of
4 them seemed to indicate that they were clarifications of
5 the earlier one. But I don't recall a specific
6 conversation with Steve on that point.

7 Q Now, what is the date on the fourth memorandum?

8 A July 2, 1993.

9 Q What was your involvement in preparing that
10 memorandum?

11 A I drafted the memorandum and circulated it for
12 comment, discussed it with Mr. Nussbaum and with others in
13 the office.

14 Q What is your understanding as to why the July 2,
15 1993 memorandum was necessary?

16 A It was thought advisable. It was growing out of
17 the travel office issue. One of my responsibilities when I
18 first started in the office was to function as a liaison on
19 some of the travel office matters for the counsel's
20 office. This memo was adopted in the wake -- was
21 circulated in the wake of the travel office issue. I
22 believe that July 2 is the date that the travel office

18

1 management review was issued by the White House.

2 Q You were a liaison between the White House and
3 what else?

4 A I was a liaison both within the White House for
5 the White House counsel's office with other parts of the
6 White House and on behalf of the management review and with
7 other departments or agencies. I guess I have -- in light
8 of what you said at the outset, I can say I have a question
9 in my mind as to whether we are now straying from the scope
10 you outlined at the beginning.

11 Q Let me ask you a more specific question. When
12 you were working on the July 2, 1993 memorandum, did you
13 have a sense as to whether any improper contacts or
14 communications had taken place in the travel office
15 matter?

16 MR. ROMATOWSKI: Well, that does sound like --
17 are we going to investigate the travel office matter?

18 MR. KRAVITZ: I think that is a fair objection.

19 BY MR. KRAVITZ:

20 Q Was there a rule as to intragovernmental
21 communications that you thought needed to be stressed to
22 the White House staff in the wake of the travel issue.

1 travel matter?

2 A I'm not sure I understand the question.

3 Q What were you trying to stress, if you were
4 trying to stress anything, in this July 2, 1993 memorandum
5 relating to communications between White House staff and
6 officials of other government agencies?

7 MR. ROMATOWSKI: Well, the memorandum speaks for
8 itself.

9 THE WITNESS: Right. That would be my response
10 on that.

11 BY MR. KRAVITZ:

12 Q I would like you to answer the question. What is
13 the crux of the memorandum, in your view?

14 A I hesitate to go beyond what is in the memo. I
15 think that, as it says in the initial paragraph of the
16 memo, it supplements prior memoranda and explains White
17 House policy. I think as you go through the relatively
18 brief memo, it restates certain points and clarifies
19 certain points.

20 Q Who received the July 2, 1993 memo?

21 A I believe that it was distributed to the entire
22 White House staff.

1 Q Were there any meetings relating to the
2 information contained in the July 2, 1993 memo?

3 MR. ROMATOWSKI: Once again, doesn't this stray
4 beyond the scope of any of the three subjects listed in the
5 resolution?

6 MR. KRAVITZ: No. This is directly relevant to
7 concerns about communications between the White House staff
8 and other agencies that took place in the
9 Whitewater/Madison matter. I'm not going to ask him about
10 any specifics of what was discussed at the meetings. I
11 think it is important to determine the level of awareness
12 of the information in the July 2, 1993 memorandum.

13 MR. ROMATOWSKI: What it says here that what is
14 under investigation are communications between officials of
15 the White House and the Department of the Treasury or the
16 Resolution Trust Corporation relating to Whitewater
17 Development Corporation and Madison Guaranty Savings & Loan
18 Association. The pending question is were there meetings
19 in the White House on the general subject of a July 2, 1993
20 guidance regarding contacts generally with any agency; is
21 that right?

22 MR. KRAVITZ: Right. I have a couple points.

1 First of all, the White House thought that these documents
2 were responsive to a document request which was limited to
3 the subjects set forth in Senate Resolution 229. So the
4 White House clearly doesn't view this as being beyond the
5 scope of the Senate Resolution. As I have already stated
6 for the record, we are interested in the level of awareness
7 at the White House as to these ethical issues before
8 September 1993 when the contacts, the first contacts we are
9 aware of directly relevant to our investigation took
10 place.

11 MR. ROMATOWSKI: I think it is helpful and
12 healthy that the White House took a sweeping view of how to
13 respond to your document request and produced all manner of
14 things. I don't think I can accept it as guidance that
15 they think this whole subject of inquiry is within the
16 scope. I urge you to consider the scope of the resolution
17 as you helpfully did at the start as you pose these
18 questions. I suppose if all you want is know is were there
19 meetings and we don't have to get into the substance of all
20 meetings, perhaps we can go that far. Maybe if we can
21 focus a little more closely on what we thought we were here
22 for, we will get there faster. Why don't we do that.

1 Were there meetings?

2 THE WITNESS: There were discussions about the
3 memo.

4 BY MR. KRAVITZ:

5 Q Who was involved in those discussions?

6 A Well, there were people within the counsel's
7 office, including Mr. Nussbaum, and the general subject of
8 the memo I think was discussed with people outside the
9 counsel's office within the White House. I don't recall
10 whether the particulars of the memo were discussed with
11 people outside the counsel's office as opposed to the
12 general subject and thrust.

13 Q In what context were the general principles of
14 the July 2, 1993 memo discussed with White House staff
15 people outside the counsel's office? Were there formal
16 meetings or just discussions?

17 A I don't recall formal meetings. I remember some
18 discussions.

19 Q Do you know which White House staff people from
20 outside the counsel's office were part of these
21 discussions?

22 A I can think of a couple. One point that may bear

1 on this is, to the best of my recollection -- I haven't
2 looked at it for a while -- but the travel office
3 management review makes reference to the fact that revised
4 guidance was going to be issued.

5 Q As of the summer and early fall of 1993, how
6 would you characterize the level of awareness among the
7 White House staff members regarding ethical concerns about
8 contacts between White House staffers and officials of
9 other agencies?

10 A I'm not in a position to make that kind of
11 characterization.

12 Q How about within the White House counsel's
13 office?

14 A The subject of the memos was a subject that had
15 been discussed and ethical concerns generally were
16 something that was very important in the counsel's office.

17 Q What was Mr. Nussbaum's involvement in the
18 preparation of the July 2, 1993 memorandum that is Y13
19 through Y15?

20 A To the best of my recollection, I discussed the
21 subject with Mr. Nussbaum before I drafted it. I then
22 showed him the draft and any subsequent revisions. He

1 reviewed each draft and the final version.

2 Q When was the first time that you ever became
3 aware of any discussions within the White House relating to
4 the RTC's investigation of Madison Guaranty Savings & Loan?

5 A The first time that I recall is in late September
6 of 1993. I have to add one parenthetical.

7 Q Okay.

8 A Which is that in early July, sometime in July, I
9 was given a letter from Senator Bumpers about the RTC
10 generally and comments on the RTC with respect to its
11 handling of various matters. I believe that at that time I
12 drafted a pro forma letter for Mr. Nussbaum to Mr. Altman,
13 just as we would typically do with congressional
14 correspondence, forwarding it along. Until March I had no
15 sense that that related in any sense to these matters. In
16 March there was a newspaper article about a letter that
17 Senator Bumpers had sent which included references to some
18 of these matters. At that time I had a vague recollection
19 of the letter.

20 But March 1994 was the first time that I
21 connected the letter with these events.

22 Q What happened near the end of September 1993 that

1 you referred to in your earlier answer?

2 A What happened --

3 Q You said that you first became aware, other than
4 this Bumpers letter, you first became aware of discussions
5 within the White House relating to the RTC's investigation
6 of Madison Guaranty in late September.

7 A Okay. As best I can reconstruct, on September
8 29, 1993, there was a meeting on the Waco matter in Bernie
9 Nussbaum's office. At the conclusion of the meeting,
10 people were leaving the office, and Jean Hanson pulled
11 Bernie aside, and I started to leave with the other people
12 and Bernie asked me to wait in the outer office for a few
13 minutes because he wanted to talk to me.

14 Q Had you been present at the Waco meeting?

15 A Yes.

16 Q Had Ms. Hanson been present at the Waco meeting?

17 A Yes.

18 Q Did everyone but you and Ms. Hanson leave the
19 office at the end of the meeting?

20 A Yes. Just to clarify, I left the office to wait
21 in the outer office, leaving in the office at that time
22 Ms. Hanson and Mr. Nussbaum.

1 Q What happened after that?

2 A Let's see. After a brief period of time,
3 Mr. Nussbaum opened the door and he said, Cliff, I want you
4 to come in, I want you to hear this, or words to that
5 effect; I don't remember the exact words.

6 Q Let me interrupt you for one second. Do you know
7 how it was that Ms. Hanson told Mr. Nussbaum that she had
8 something to tell him?

9 A No. My only recollection is that she and Bernie
10 were kind of standing off to the side. But I don't recall
11 anything more than that.

12 Q Had you been aware as of that time that
13 Ms. Hanson had been trying to contact Mr. Nussbaum for a
14 few days before the Waco briefing?

15 A No.

16 Q Go ahead.

17 A As I describe this, I feel it important to point
18 out a couple things, which is one that my recollection is
19 somewhat hazy. I will do the best I can to give you the
20 best of my recollection. Secondly, I may be compressing a
21 few conversations in this period. I will do my best to try
22 to separate it out. I feel it is important to put that

1 qualification on it.

2 Q Are these also other conversations that you had
3 with Ms. Hanson?

4 A Yes.

5 So I came back into the room, and Ms. Hanson
6 related that there had been a referral of eight or nine
7 matters or there had been eight or nine referrals. She
8 said that there might be press inquiries about the matter.

9 Q Did Ms. Hanson indicate whether these referrals
10 were criminal referrals?

11 A Well, let's see. I don't recall whether the term
12 "criminal referrals" was used. As I said, she said there
13 might be press inquiries. She said that the Clintons were
14 mentioned in the referrals, and she also made reference to
15 the fact that the Clinton '84 campaign was mentioned in the
16 referrals and there was some more extensive mention, as I
17 recall, of the Clinton '84 campaign.

18 Q You mean by Ms. Hanson during this conversation?

19 A Yes, by Ms. Hanson and as related to the
20 referrals, it was my understanding.

21 Q Okay.

22 MR. ROMATOWSKI: Now I'm a little confused. I

1 think we may wind up confused. Did Hanson discuss the
2 gubernatorial campaign at greater length or in some
3 additional way the Clintons, or was that the nature of what
4 she was describing about the referral?

5 THE WITNESS: What she was describing about the
6 referral was there was more extensive involvement of the
7 Clinton '84 campaign.

8 One thing that stuck in my mind was that the
9 Clintons were potential witnesses and that the Clinton '84
10 campaign might be a potential subject. I don't recall
11 whether she used those words or not. But that was what
12 stuck in my mind, perhaps just from the fact that there was
13 a more extensive reference to the Clinton '84 campaign.

14 She also said that she believed that Roger Altman
15 had sent some materials on this matter to Bernie Nussbaum
16 previously. I believe that was the extent of the
17 conversation as far as I can recall.

18 BY MR. KRAVITZ:

19 Q I believe you testified that Ms. Hanson told you
20 and Mr. Nussbaum during this conversation on September 29
21 that eight or nine referrals had been made. I want you to
22 think back as well as you can.

1 Did Ms. Hanson specifically say during this
2 conversation that the referrals had been made or that they
3 were about to be made?

4 A I don't remember her exact words. But what I do
5 remember, the impression that I had was that it was
6 something that had occurred, it was a fait accompli.

7 Q Did Ms. Hanson indicate where the referrals were
8 in the pipeline, where they had come from, where they were
9 going or whether they had already arrived someplace?

10 A Not that I recall.

11 Q You indicated that Ms. Hanson told you and
12 Mr. Nussbaum during the September 29 meeting that it was
13 possible that there would be press inquiries. Did
14 Ms. Hanson say anything as to whether there were already
15 press inquiries?

16 A Not that I recall. Of course, I hadn't been in
17 the room for the first couple minutes of the conversation.
18 I don't know if she did at that time. But not that I
19 recall while I was present.

20 Q I think the record should be clear that all of
21 your answers, at least as far as I'm concerned, refer only
22 to the conversation that you witnessed.

1 A Okay.

2 Q Did Ms. Hanson provide any specifics as to any
3 information about checks that were the subjects of any of
4 these criminal referrals?

5 A Not that I recall.

6 Q Did Ms. Hanson indicate to you and Mr. Nussbaum
7 why it was that she was telling you this information about
8 these eight or nine referrals?

9 A As I mentioned, she said that there might be
10 press inquiries.

11 Q Did Ms. Hanson indicate whether she had made the
12 decision to provide this information to you and
13 Mr. Nussbaum on her own as opposed to being sent to provide
14 the information by anyone else?

15 A I don't recall anything beyond what I have
16 described.

17 Q You don't remember Ms. Hanson telling you and
18 Mr. Nussbaum that Mr. Altman had directed her to provide
19 this information to you?

20 A I don't recall her saying that. I recall her
21 saying that she thought that Mr. Altman had previously sent
22 materials on this to Mr. Nussbaum.

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1 Q What did Mr. Nussbaum say, if anything, when
2 Ms. Hanson made that comment?

3 A Either then or shortly thereafter I believe he
4 indicated to me that he didn't recall receiving anything on
5 it.

6 Q Did Ms. Hanson indicate what those materials were
7 that Mr. Altman had sent previously to Mr. Nussbaum?

8 A Not at that time.

9 Q How long was the conversation among you,
10 Mr. Nussbaum and Ms. Hanson?

11 A It was fairly brief on this subject. I would
12 estimate five minutes or less, that is obviously a rough
13 estimate. The conversation drifted into chitchat on other
14 subjects after that time.

15 Q Did that chitchat have anything to do with
16 Madison Guaranty or the RTC or Whitewater?

17 A It didn't have anything to do with Madison or
18 Whitewater. I believe that there was some mention about
19 some general personnel issues with respect to the RTC, but
20 completely unrelated to Madison and Whitewater.

21 Q Do you remember what those personnel issues were?

22 A I do. Is this within the scope?

32

1 Q Did it have anything to do with the issue of who
2 was going to come in as a new CEO of the RTC or who was
3 going to come in as a new general counsel at the RTC?

4 A Yes, I think that it did.

5 Q That's within our scope.

6 A Okay. I think that, as I recall, there was a
7 general reference. I think that Stanley Tate, if I
8 remember correctly, was the nominee or the appointee and
9 was encountering some criticism and some political heat.
10 There was just some discussion of that, of the criticism
11 with respect to that.

12 There was also I think a brief discussion about a
13 candidate for a position, and I'm not sure exactly whether
14 the position was in Treasury or RTC, but it had to do with
15 a possible problem that had come up regarding the person
16 and whether that would pose a significant problem to the
17 appointment.

18 Q Was there any discussion about the general
19 counsel's position at the RTC during this September 29
20 discussion?

21 A I don't recall whether the candidate for the
22 position that I was just referring to was for the general

1 counsel of the RTC or not. I don't recall it.

2 Q Do you remember that person's name?

3 MR. ROMATOWSKI: Can we go off the record a
4 second?

5 MR. KRAVITZ: Yes.

6 (Discussion off the record.)

7 THE WITNESS: I don't remember the name of the
8 person.

9 BY MR. KRAVITZ:

10 Q During this September 29, 1993 discussion that
11 you and Mr. Nussbaum were having with Ms. Hanson, did
12 Mr. Nussbaum say anything about the type of person or the
13 type of people that he wanted to see running the RTC?

14 A Not --

15 MR. ROMATOWSKI: If the answer is no, say no.
16 But I don't see how this relates to contacts with the RTC
17 about Whitewater or Madison Guaranty Savings & Loan.

18 MR. KRAVITZ: It is directly related.

19 MR. BRAUNREUTHER: Let me state for the minority
20 so it is clear. It is highly relevant to what we have been
21 looking at. Unfortunately you don't have the benefit of
22 the other evidence we have seen in the case. It is

1 certainly our position, the minority members, that it is
2 highly relevant. We have gone into it in other areas. The
3 contacts between the White House with respect to the
4 personnel who would operate the RTC during this period of
5 time when a decision was required on the Madison case is
6 directly relevant to the probe. So from the minority point
7 of view, there is no question I intend to go into this
8 area. We don't have any disagreement amongst ourselves
9 between minority and majority members as to whether this
10 fits within the resolution. I don't think that if we take
11 it up to either Mr. Chertoff or Mr. Codinha or the Senators
12 they would have much dispute on it.

13 On the other hand, we are sensitive to the fact
14 that Mr. Sloan is here to cooperate and simply doesn't want
15 to go beyond the line of what is appropriate for him and in
16 the back of your mind obviously is not violating any
17 principles inadvertently and making disclosures which you
18 think are inappropriate because you are not clear about the
19 scope of the parameters of the resolution.

20 MR. ROMATOWSKI: You have stated my problem
21 exactly.

22 MR. BRAUNREUTHER: I know it is not a

1 self-interest objection you are making. If there are areas
2 you think are particularly sensitive, then we might go off
3 the record at some point and you can alert them to us so it
4 doesn't ultimately appear in the record so we can maybe
5 preview it and decide whether or not to question on it. We
6 don't want to, in fact, have something inadvertent placed
7 on the record.

8 MR. ROMATOWSKI: That's one way to approach it.
9 Another way is if you put precise questions, maybe we can
10 consider them. It may be we need to table them pending
11 further instructions and we can respond more fully. If you
12 put questions and we take them one at a time, perhaps we
13 can discuss them and find a way to respond so you are
14 satisfied.

15 MR. KRAVITZ: Let me just say, we have really
16 narrowed our focus in all of this, and I think it is fair
17 to say that we have a very good understanding of what it is
18 that the Senators view as relevant and not only as relevant
19 but within the scope of Senate Resolution 229. I can tell
20 you we are not going to be asking questions outside those
21 areas. If there is a question that raises a particular
22 subject of sensitivity or subject of particular

1 sensitivity, let us know.

2 I guarantee you we are not asking questions in
3 any kind of fishing expedition. These are subjects that
4 other people from the White House counsel's office have
5 already testified about and they are clearly going to be
6 raised in all the depositions relating to people at the
7 White House and likely at the hearings themselves.

8 MR. ROMATOWSKI: Let me just explain. I
9 appreciate your sensitivity. I appreciate your
10 understanding of the position that we are in, as you just
11 stated it. None of this of course is personal to us, as
12 you recognize as well. We are not here complaining of a
13 fishing expedition or what have you. But Mr. Sloan is a
14 lawyer. He is a lawyer in a sensitive White House
15 position. He is here on instructions to cooperate fully
16 within the scope of your inquiry. But he has additional
17 obligations beyond that to maintain confidentiality, as you
18 can well understand. I think the thing to do is take the
19 questions one at a time. If there are some that we feel we
20 can't respond to without further instructions from his
21 superiors as to the scope, what we will do is simply
22 collect them and at an appropriate time see if we can get

1 further guidance during a break.

2 Why don't we do that.

3 MR. KRAVITZ: Okay.

4 MR. ROMATOWSKI: Why don't you put -- forgive me,
5 but could you restate the last pending question and perhaps
6 we can proceed.

7 BY MR. KRAVITZ:

8 Q During the September 29, 1993 discussion that you
9 had with Mr. Nussbaum and Ms. Hanson, did Mr. Nussbaum say
10 anything that indicated the type of people that he wanted
11 to have running the RTC?

12 A Not that I recall. I don't remember every detail
13 of the chitchat, but not that I recall.

14 Q When the chitchat ended, did Ms. Hanson leave
15 Mr. Nussbaum's office?

16 A Yes.

17 Q What did you do at that time?

18 A I stayed in Mr. Nussbaum's office for a few
19 minutes and we discussed the Waco meeting which we had not
20 had a chance to discuss previously.

21 MR. ROMATOWSKI: Can I help here? I think there
22 is one more detail that may be of interest to you. The

1 portion of the conversation with Mr. Jean Hanson, it sounds
2 like Mr. Sloan thought of it without any further prompting
3 from me. Why don't you go ahead?

4 THE WITNESS: There was one other point. I
5 appreciate the reminder. Mr. Nussbaum mentioned, while we
6 were talking to Ms. Hanson, that if anything else came up
7 on this, she could contact me or I would be the contact
8 person. I don't remember the exact words. Or if she felt
9 a need to contact us. But he identified me as a contact
10 person.

11 BY MR. KRAVITZ:

12 Q Did you take any notes during this conversation
13 with Ms. Hanson on September 29?

14 A Not that I recall and not that I'm aware of. I
15 sometimes take scratch notes and don't retain them. But
16 not that I'm aware of.

17 Q During your conversation with Mr. Nussbaum
18 reviewing the Waco meeting, did you and Mr. Nussbaum
19 discuss the information Ms. Hanson had provided you
20 relating to the RTC's referrals?

21 A Not that I recall. I recall only that as we were
22 leaving his office, Mr. Nussbaum said that he was going to

1 talk to Bruce Lindsey about the conversation with
2 Ms. Hanson. As I walked out with him, it was my
3 understanding he was going to Mr. Lindsey's office.

4 Q To report on the information at that time?

5 A That was my understanding.

6 Q Did Mr. Nussbaum tell you why he decided to go to
7 Mr. Lindsey's office to report this information?

8 A I don't recall him elaborating at that time.

9 Q Did Mr. Nussbaum ask you to do anything at that
10 time relating to the information that Ms. Hanson had
11 provided?

12 A No.

13 Q What was your understanding as to why it was
14 Ms. Hanson, a Treasury Department official, who was
15 relaying this information to the White House?

16 A I did not have a particular understanding of that
17 at that time.

18 Q During your conversation with Mr. Nussbaum and
19 Ms. Hanson on September 29, 1993, did you consider whether
20 there was any ethical impropriety in Ms. Hanson providing
21 the information that she provided that day?

22 A Can you restate the question. I want to make

1 sure I am clear on it.

2 Q While you were talking to Ms. Hanson on September
3 29, 1993 about the referrals, did you think about whether
4 there was anything ethically improper about Ms. Hanson's
5 providing that information to White House officials?

6 A I don't recall thinking about that during that
7 conversation.

8 Q After the conversation was over, did that issue
9 come into your mind at all?

10 A I don't know if I would characterize the issue in
11 exactly the way that you described. But within the next
12 couple of days, I had discussions with Mr. Nussbaum and
13 Neal Eggleston in our office about whether there were
14 particular rules or requirements in this area.

15 Q What were those discussions that you had with
16 Mr. Nussbaum and Mr. Eggleston?

17 A As I say, I discussed with Mr. Eggleston whether
18 there were particular applicable rules or requirements that
19 we should be aware of and whether there might be some
20 prohibition on receiving this information. Mr. Eggleston
21 mentioned a few reasons why we weren't aware of any
22 prohibitions or requirements in this area. First of all,

1 it was not 6(e) grand jury material. Secondly, it was in
2 connection with official functions, namely, responding to
3 press inquiries.

4 Q Wait. I thought Ms. Hanson said -- I thought you
5 said that Ms. Hanson did not say there having been press
6 inquiries?

7 A No. I said she said there might be press
8 inquiries.

9 Q But you weren't responding to any yet?

10 A Or in anticipation of press inquiries. One thing
11 I should clarify, we jumped ahead, there is a telephone
12 conversation that I have with Ms. Hanson that I recalled as
13 the occasion for it being a press inquiry.

14 MR. BRAUNREUTHER: Can I suggest we interrupt.
15 (Pause.)

16 THE WITNESS: The point that I wanted to clarify
17 was that I had a telephone conversation with Jean Hanson.
18 I have notes that indicate that it was on September 30. I
19 remember the occasion for the telephone call being a press
20 inquiry. I am not absolutely certain whether, as I sit
21 here, whether or not this conversation with Mr. Eggleston
22 was before or after that telephone conversation the next

1 day.

2 BY MR. KRAVITZ:

3 Q Let me show you --

4 A I haven't finished my answer.

5 Q Fine.

6 A The discussion that I had on that point. I think
7 the second point was that it was in connection with
8 official functions because of press inquiries. Third, we
9 were not aware of any statute or regulation that prohibited
10 or addressed the discussion of the referral. One point
11 that was important in my mind was that this information was
12 coming from the general counsel of the Treasury Department
13 and there was nobody who I would think would be more
14 familiar with the applicable rules and requirements and
15 statutory provisions than the general counsel of the
16 Treasury Department.

17 Q Why do you say that?

18 A Because that's the job of the general counsel of
19 the Treasury Department.

20 Q To be familiar with rules relating to the
21 transmittal of information from the RTC?

22 A Yes. That would be my understanding.

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1 Q You think the general counsel at Treasury would
2 be the most knowledgeable person, even more knowledgeable
3 than the general counsel at the RTC, for example?

4 A That's not a thought process I went through at
5 the time. This seemed to be a Treasury-related matter and
6 it was coming from the general counsel of the Treasury
7 Department.

8 Q In the course of your research or yours and
9 Mr. Eggleston's research into this issue, did you look into
10 whether there were any statutory or regulatory requirements
11 that referrals, criminal referrals be kept confidential?

12 A We looked -- we looked for applicable statutes or
13 regulations and we didn't find any that addressed the
14 issue.

15 Q Have you finished your answer now?

16 A That was my discussion with Mr. Eggleston. I had
17 a similar conversation with Mr. Nussbaum, although it might
18 not have gone into as much detail or all of the reasons as
19 Mr. Eggleston. But I believe that I recall Mr. Nussbaum
20 pointing out that it was in connection with official
21 function, press inquiries, and that he wasn't aware of any
22 statute or regulation prohibiting the discussion.

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1 Q To your knowledge, did Mr. Nussbaum, in fact,
2 speak with Bruce Lindsey following the September 29 meeting
3 with Ms. Hanson?

4 A It was my understanding or my impression that he
5 had, but I'm not absolutely positive that he did.

6 Q What is the basis for your understanding or
7 impression?

8 A Well, the basis is that when I left him on
9 September 29, it was my understanding that he was going to
10 Mr. Lindsey's office. When I subsequently reported to him
11 a telephone conversation with Ms. Hanson, he told me to
12 tell Bruce Lindsey about it. My impression at the time was
13 that he had already talked to Bruce about the matter.

14 Q And that Bruce had said he wanted to be kept
15 informed on additional information?

16 A No. I wouldn't say that. I don't have a
17 recollection of him saying that.

18 Q You testified that you received a telephone call
19 from Ms. Hanson on September 30; is that right?

20 A Well, I received a telephone call from her and my
21 notes seem to reflect that it was on September 30.

22 Q I'm going to show you a two-page document Bates

1 stamped X983 and X984. Are these the notes that you have
2 been referring to?

3 A Yes.

4 Q Were those notes taken during your telephone call
5 with Ms. Hanson?

6 A To the best of my recollection, they were.

7 Q I will let you keep your notes in front of you
8 while I ask you these questions, if they help you remember
9 the content of the telephone call you had with Ms. Hanson.

10 Can you tell us what Ms. Hanson said when she
11 called you on September 30?

12 A Well, one distinction that I would like to draw
13 is what my independent recollection is and was of the
14 conversation.

15 Q You want to give me those back then?

16 A I can just say what my independent recollection
17 is and was, and then there is additional discussion in the
18 notes which I found in March and which, the additional
19 discussion, I did not independently recall and do not
20 independently recall. I have no reason to doubt what is in
21 the notes.

22 My independent recollection is and was that there

1 were a couple of phone conversations in the several days
2 after the initial conversation, that the occasion for the
3 conversations was press inquiries and that there might have
4 been a reference back to the initial conversation and
5 possible elaboration on it.

6 Q Were these telephone conversations in the several
7 days following September 29 all initiated by Ms. Hanson?

8 A To the best of my recollection, they were.

9 Q Your understanding as to why Ms. Hanson was
10 calling you as opposed to press people at the White House
11 is that Mr. Nussbaum told her you should be the point of
12 contact?

13 A That's correct.

14 Q Okay. Go ahead.

15 A I want to qualify that answer. That was my
16 understanding about why she was calling me. I don't think
17 that I went through the thought process that you were
18 suggesting in your question about why she was calling me
19 rather than the press people, but the reason that she was
20 calling me, my understanding, was that it was consistent
21 with Mr. Nussbaum identifying me as the contact person.

22 Q What were these conversations you had with

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1 Ms. Hanson as you independently remember them now?

2 A My independent recollection is just that they
3 involved Sue Schmidt of The Washington Post was asking
4 various questions, and I think that there was a reference
5 that Jeff Gerth of The New York Times was also asking
6 questions. I remember from one of the conversations -- and
7 my notes would reflect this is from a later conversation on
8 October 7 -- but that Sue Schmidt had shown up at the home
9 of an RTC investigator and had asked what I remember was
10 several questions, perhaps four questions, and a couple of
11 the questions I independently recall.

12 One was whether Vince Foster had anything to do
13 with any of this. Another had to do with Web Hubbell's
14 father-in-law, Seth Ward. I also independently recall that
15 she had mentioned some material in the RTC Early Bird about
16 press inquiries that the RTC was given.

17 MR. ROMATOWSKI: "She" meaning Jean Hanson?

18 THE WITNESS: Yes.

19 BY MR. KRAVITZ:

20 Q Are you able to separate out the various
21 conversations? Has your testimony been referring to the
22 totality of a series of conversations?

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1 A This was my independent recollection. That was
2 what I took away from the conversations as a whole.

3 Q This is conversations that you have with
4 Ms. Hanson beginning on September 30 and continuing through
5 October 7?

6 A My notes reflect that those are the pertinent
7 dates of the conversations.

8 Q How many times did you talk with Ms. Hanson on
9 this subject during that week-long period?

10 A Well, I have notes of the conversations of
11 September 30 and October 7. I don't recall additional
12 conversations. I suppose it is possible that perhaps there
13 was one. But I don't recall any additional ones.

14 Q Do your notes from September 30 which we have
15 identified as X983 and 984 indicate that you and Ms. Hanson
16 spoke about subjects in addition to what you independently
17 remember?

18 A They include additional statements or additional
19 details.

20 Q Do those notes refresh your memory as to a
21 discussion about these additional statements or details?

22 A They don't. I don't have any reason to doubt

1 what is in the notes. But they don't refresh my
2 recollection.

3 Q Is there anyone's handwriting other than your-own
4 on these two pages?

5 A No.

6 Q Could you tell us what is on these two pages of
7 notes that is in addition to what you have already
8 testified you independently remember? Maybe just read it
9 for us.

10 A Would you like me to read it for you?

11 Q Yes. That would be helpful. I had a hard time
12 reading some of your handwriting.

13 MR. ROMATOWSKI: Maybe the thing to do is go
14 through this statement by statement and saying what you may
15 recall either independent of the notes, refreshed by the
16 notes or not at all.

17 MR. KRAVITZ: That would be fine.

18 THE WITNESS: I can do that. I don't think that
19 what I -- what I recall I have said. Whatever is most
20 helpful.

21 BY MR. KRAVITZ:

22 Q Let's start at the top and for each entry you can

1 tell us what it means and what it makes you remember.

2 A "Altman's files, New York Times, March 9, '92,
3 Altman thinks" is what that says. What I recall and I
4 actually -- I should have added this. I had a brief -- I
5 have a recollection that she had clarified the point that
6 she had made in the September 29 conversation about whether
7 Mr. Altman had sent materials. She said something like
8 that she was mistaken and she was suggesting that we look
9 at a March 9, '92 New York Times article, she was kind of
10 pointing our focus to that. I don't recall what she said
11 exactly about the New York Times article. She was
12 correcting her earlier reference and focusing us to that
13 article.

14 Q This was the earlier reference to documents
15 Mr. Altman sent to Mr. Nussbaum previously?

16 A Yes.

17 Q What Ms. Hanson told you was that the materials
18 that Mr. Altman sent to Mr. Nussbaum previously consisted
19 of a March New York Times article?

20 A I don't recall if she said that Mr. Altman sent
21 it or whether she was suggesting we look at it. She was
22 clearly limiting the focus of everything to this New York

1 Times March 9, '92 article.

2 Q What is the next entry in your notes?

3 A It says "piece of news, Bill Roelle RTC, VP of
4 Kansas City." When it is appropriate, when I see an
5 abbreviation, I am spelling it out. "Of Kansas City RTC
6 office, office which forwarded nine referrals, phone Sue
7 Schmidt Washington Post, vital info suppressed, didn't
8 mention anything specifically, demanded unlisted numbers"
9 either "for" or "from the RTC investigators, nine criminal
10 referrals, belief criminal refers to D.C. "

11 Q Why don't we stop there. What is the information
12 beginning with the Bill Roelle and where you just ended,
13 what does that refer to?

14 A Really, my only knowledge of that is what is
15 reflected in the notes, other than as I mentioned. I
16 remembered the occasion for the phone call being press
17 inquiries and Sue Schmidt of The Washington Post. But
18 otherwise it says "vice president of Kansas City RTC
19 office, office which forwarded nine referrals, phone Sue
20 Schmidt Washington Post," which was consistent with my
21 recollection that the occasion was press inquiries.

22 Q Do you remember what Ms. Hanson said about vital

1 information suppressed?

2 A I don't recall what she said beyond what is said
3 here in this line.

4 Q Does the phrase "vital info suppressed" mean
5 information to you at this point in the context of your
6 conversation with Ms. Hanson?

7 A Does it mean anything to me on September 30?

8 Q Can you tell us why you wrote those three words?

9 A She was saying it. I was taking notes on what
10 she was saying.

11 Q Was Ms. Hanson reporting to you that Sue Schmidt
12 had asked her or asked the Treasury about information
13 indicating that vital information had been suppressed? Is
14 that the context in which this subject was discussed?

15 A Well, that's one way to read it. It would be
16 consistent with my recollection. That's why I drew the
17 distinction that I did at the outset. I don't have an
18 independent recollection. But that certainly is a reading
19 of the notes and that is consistent with my recollection
20 about the occasion that I recall.

21 Q Now, your notes that you just read into the
22 record indicate specifically that the term "criminal

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1 referrals" as opposed to merely referrals. Remember we
2 were talking about that with regard to your September 29
3 discussion?

4 A Right.

5 Q Does that mean that Ms. Hanson was referring to
6 these referrals as criminal referrals during your September
7 30 telephone conversation, the fact that they are in your
8 notes that way?

9 A That is how I would read my notes. Is that that
10 was something that she was saying. Now I don't know as I
11 look at it whether she was saying a reporter was saying it
12 or she was saying it. What I'm writing down here is what
13 I'm hearing from her.

14 Q Why don't you go on from where you left off.

15 A It was the underline under "belief." "Apparently
16 Kansas City to D.C., D.C. to Little Rock on Friday,
17 criminal referral since last September, referral last
18 September, Whitewater company re: Clinton principals, nine
19 referrals, allegations re: Fulbright, Jim Guy Tucker,
20 attempt to divert funds," I think that says. "Worst
21 allegation, conspiracy to divert funds, nine new referrals,
22 conspiracy to divert funds for campaign contribution,

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1 McDougal, Peacock, Clinton '85 campaign as
2 co-conspirators. Clintons mentioned in other charges as
3 potential witnesses."

4 Q Which of what you just read refers to information
5 that you don't have an independent recollection of?

6 A Most of it, to the extent that it is beyond what
7 I said at the outset, was my independent recollection. I
8 certainly didn't recall the words "conspiracy" or
9 "co-conspirators." I was surprised when I found my notes
10 and saw those words there. My independent recollection was
11 as I stated at the outset.

12 Q The portion that you just read beginning halfway
13 down the first page, page X983 and going to the end, can
14 you tell from your notes or do you remember whether this
15 information that Ms. Hanson provided to you over the
16 telephone on September 30, was this information that
17 Ms. Hanson was just telling you about from her own
18 knowledge or was this information that was included in a
19 press inquiry that she or someone else at the Treasury
20 Department had received from Sue Schmidt?

21 A I don't have an independent recollection of
22 that. I don't know if I was in a position to know with

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1 precision. What I remember from the conversation, what I
2 took away was that the occasion for the conversation was
3 press inquiries.

4 Q Your testimony is that you just can't say at this
5 point whether Ms. Hanson provided you with underlying
6 information about the criminal referrals that was in
7 addition to the facts that Ms. Schmidt included in her
8 press inquiry?

9 A I'm not in a position to say definitively one way
10 or another. I'm not in a position to go beyond the notes
11 and beyond my recollection that the occasion of the call
12 was a press inquiry.

13 Q What did you do after you had your telephone
14 conversation with Ms. Hanson on September 30, 1993?

15 A I related to Mr. Nussbaum -- in connection with
16 these phone calls, I remember trying to get Neal Eggleston
17 on the line also because Neal had recently come into the
18 office and Neal was going to be handling matters that
19 related to investigations or law enforcement or anything in
20 connection with that. So as part of the transition with
21 Neal, I was trying to get Neal up to speed. I don't recall
22 whether Neal was on this conversation or not. If he

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1 wasn't, I would have discussed it with him as well.

2 Mr. Nussbaum told me, as I was mentioning
3 earlier, told me to report it to Bruce Lindsey.

4 Q Did you in fact do that?

5 A Yes, I did.

6 Q When did you speak with Mr. Lindsey?

7 A I don't remember exactly, but it would have been
8 I think soon after this phone call, perhaps that day or
9 evening or the next. But it would have been shortly after
10 the conversation.

11 Q The conversation you are referring to is the one
12 on September 30?

13 A Yes.

14 Q What do you remember about your conversation with
15 Mr. Lindsey following the September 30 conversation with
16 Ms. Hanson?

17 A I remember generally briefing Mr. Lindsey on the
18 conversation.

19 Q Would you have used your notes during your
20 conversation with Mr. Lindsey?

21 A I don't recall exactly whether I did in that
22 conversation.

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1 Q How long did you meet with Mr. Lindsey for?

2 A I think it was a fairly brief period of time.

3 Q What did Mr. Lindsey say or ask during the
4 meeting?

5 A I don't recall him saying very much. I remember
6 at some point either in this conversation or another
7 conversation Mr. Lindsey asked is it okay that we have this
8 information, and I was -- I remember that Mr. Eggleston was
9 there with me, to the best of my recollection, and I said
10 we believe that it is. I guess, in addition, I remember
11 generally Mr. Lindsey was more familiar with these matters
12 than I was, in a very general sense, in connection with
13 these various Arkansas-related issues.

14 At some point in this time period I remember that
15 separately Mr. Lindsey and Mark Gearan had come into Bernie
16 Nussbaum's office and they had separately been getting
17 press inquiries from I think it was Jeff Gerth of The New
18 York Times and Mr. Lindsey was working on responding to
19 those press inquiries.

20 Q To your knowledge, did you or anyone else at the
21 White House during this period of time following the
22 September 29 conversation with Ms. Hanson make any effort

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1 to confirm the existence of these criminal referrals?

2 A Could you restate the question.

3 Q Did anyone contact the RTC to try to determine
4 whether these criminal referrals in fact existed and had
5 been made?

6 A Not to my knowledge, no.

7 Q Did you have a telephone conversation with
8 Ms. Hanson on October 7, 1993?

9 A Yes. I had a subsequent telephone conversation
10 with her, and my notes reflect that it was on October 7.

11 Q What do you recall from that telephone
12 conversation?

13 A Well, my independent recollection is, as I stated
14 from the conversations as a whole, that the occasion was
15 press inquiries and the particular questions that I was
16 mentioning earlier that I recalled that Ms. Schmidt had
17 been asking, my notes reflect, were on the October 7
18 conversation.

19 Q Let me show you a two-page document which has
20 Bates stamp numbers X985 and X986. Are these your notes
21 from your October 7, 1993 conversation with Ms. Hanson?

22 A Yes.

1 Q Do those notes include any information in
2 addition to your independent recollection?

3 A Yes.

4 Q Using your notes, could you tell us what
5 information is indicated in them that is in addition to the
6 general recollection you have already testified to.

7 A Well, maybe the easiest thing is to move through
8 my notes and to comment on them. It says "Sue Schmidt was
9 out in Kansas City, showed up at home, contacted
10 investigator at home, asked questions, no answer." That
11 was consistent with the independent recollection that I
12 had.

13 "Jeff Gerth working on it" meaning Jeff Gerth
14 working on the story. Then these four questions I remember
15 were questions that Ms. Schmidt had put to the
16 investigator, and I remembered a couple of these
17 independently.

18 Number 1 says "Whitewater development,
19 International Paper Realty follow-up" and then in brackets
20 there is information that says "October '86 IP," which I
21 think is International Paper, "sold piece of property" and
22 then it says "WW" which I believe is Whitewater "to Great

1 Southern." This information I believe was not from
2 Ms. Hanson but I believe it is notes of a conversation with
3 Mr. Lindsey, that Mr. Lindsey was mentioning that and that
4 I jotted it down.

5 Then 2, "Seth Ward, Web Hubbell's
6 father-in-law." I remember she had asked a question about
7 him.

8 Number 3, "knew three senior partners in Rose Law
9 Firm" that is either "mad at" or "ran out" "Joe" somebody
10 "because he made more money."

11 Number 4, "Vince Foster involved in any of this.
12 Interviewed Jim McDougal day before." It was my impression
13 this was a reference to Sue Schmidt.

14 Then on the next page, "Sue Schmidt, Steve
15 Katsanos, public affairs person RTC." This is my effort to
16 get what she is saying about the RTC Early Bird. It first
17 says "RTC Early Bird Washington Post and AP pursuing Rose
18 firms undisclosed link member of firms and funds to."

19 Q Is the "she" referring to Ms. Hanson or
20 Ms. Schmidt?

21 A Ms. Hanson. Then it says "the Rose Law firm's
22 alleged undisclosed conflict of interest and internal RTC

1 sources suggest that multiple referrals to the Justice
2 Department link the firm's members." Again, this is my
3 effort to get -- she had described the RTC Early Bird to
4 us. I remember that Neal Eggleston was on the line on this
5 conversation. I remember I was having difficulty getting
6 it in a way that seemed to be a coherent sentence in terms
7 of what she was reading. I remember that Neal said
8 something like I have it.

9 Then this last reference "no contempt" is to a
10 completely unrelated matter to this and doesn't arise from
11 the telephone conversation with Jean Hanson.

12 Q Did you report your October 7 telephone
13 conversation with Ms. Hanson to Mr. Lindsey?

14 A Yes.

15 Q When did that occur?

16 A Probably shortly after that conversation, but I
17 don't recall the exact date.

18 Q Did you write a memo to Mr. Lindsey telling him
19 you needed to speak with him?

20 A Yes.

21 Q How important did you view the need to have a
22 meeting with Mr. Lindsey about the October 7 telephone

1 conversation?

2 A That is a difficult question. I wouldn't rank it
3 in importance. It was something I had been told to tell
4 Mr. Lindsey about the conversation and I wanted to do
5 that.

6 Q Did it mean anything to you that Mr. Lindsey was
7 the person you were told to report this information to as
8 opposed to just Mr. Nussbaum, your direct supervisor?

9 A I'm not sure what you mean when you say "did it
10 mean anything" to me.

11 Q Did it have any significance to you that
12 Mr. Lindsey was taking an interest in this issue?

13 A It didn't have particular interest to me. As I
14 mentioned, it was my understanding at the time that
15 Mr. Lindsey was one of the people responding to press
16 inquiries on the matter and working on press inquiries on
17 the matter.

18 Q During your first discussion with Mr. Lindsey
19 following your September 30 telephone call with Ms. Hanson,
20 did Mr. Lindsey say anything to indicate that he had
21 discussed with the President any of the information that
22 Mr. Nussbaum had provided him about the September 29

1 meeting?

2 A No, not that I recall.

3 Q Did Mr. Lindsey say anything that indicated that
4 he had discussed the September 29 meeting with
5 Mrs. Clinton?

6 A No, not that I recall.

7 Q When did you meet with Mr. Lindsey following the
8 October 7 telephone call with Ms. Hanson?

9 A As I mentioned, I can't say with certainty. I
10 think that it was fairly soon after the conversation and it
11 might have been the day or the evening of the 7th. But I'm
12 not entirely sure.

13 Q What do you remember about that meeting?

14 A I remember relaying the conversation to him and
15 the only additional point that I recall is that when I, or
16 we -- Neal Eggleston was there -- described the RTC Early
17 Bird and described the way that Ms. Hanson had described
18 it, he thought that it seemed like a very strange
19 publication, that it seemed to be a leak sheet within the
20 agency for reporting on what leaks the press had and was
21 working on and it also seemed like it was a waste of
22 government funding.

1 Q Did you have any further conversations with Jean
2 Hanson between October 7 and October 14, 1993?

3 A Yes.

4 Q Could you tell us what you remember about those.

5 A The only thing I recall is before the meeting on
6 October 14, at some point Jean Hanson called me and told me
7 there was going to be a meeting and that the press people
8 had set it up. I don't remember whether that was the
9 morning of the 14th or a day or two previously. It was a
10 brief conversation and I have given you what I recall from
11 it.

12 Q Is that the only conversation you had with
13 Ms. Hanson between October 7 and October 14?

14 A It is the only one that I recall.

15 Q Were you also notified of the October 14 meeting
16 at the White House by any White House officials?

17 A I wasn't notified as such. I mentioned to
18 Mr. Nussbaum that Ms. Hanson had called and said that there
19 was going to be this meeting. He said that he knew about
20 it and that I should attend.

21 Q Other than what Ms. Hanson told you about the
22 meeting having been set up by the press people, do you have

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1 any additional understanding as to who set up this meeting?

2 A I don't have any additional understanding, no. I
3 have a vague recollection that it was originally going to
4 be in Mark Gearan's office and then it was moved to Bernie
5 Nussbaum's office. That's a vague recollection.

6 Q Does your vague recollection include any
7 understanding as to why the meeting was moved from
8 Mr. Gearan's office to Mr. Nussbaum's office?

9 A No.

10 Q Does any significance attach to the moving of a
11 meeting?

12 A No. Mr. Nussbaum's office is on the second
13 floor. But the answer is no.

14 Q Did Ms. Hanson tell you on the telephone what the
15 purpose of the October 14 meeting was?

16 A Not that I recall. She said that the press
17 people had set up the meeting.

18 Q Did she say what the meeting was to discuss?

19 A Not that I recall.

20 Q What about when you spoke with Mr. Nussbaum? Did
21 he indicate what the meeting was about?

22 A No.

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1 Q During this time period between the first meeting
2 on September 29 and the meeting we are about to talk about
3 on October 14, did you do anything related to the RTC's
4 investigation of Madison other than what you have already
5 testified to?

6 A No.

7 Q Did you talk to anyone outside the White House
8 about the RTC's investigation of Madison other than what
9 you have testified to?

10 A No.

11 Q Did you talk to anyone inside the White House
12 during this time period about the RTC's investigation of
13 Madison other than what you have testified about?

14 A No.

15 MR. KRAVITZ: Is this a good time to take a
16 five-minute break?

17 MR. ROMATOWSKI: Sure.

18 (Recess.)

19 BY MR. KRAVITZ:

20 Q Mr. Sloan, did you in fact attend the meeting
21 relating to Madison on October 14, 1993 at the White House?

22 A Yes.

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1 Q Where did that meeting end up taking place?

2 A In Mr. Nussbaum's office.

3 Q Who else was present at the meeting on

4 October 14?

5 A From the White House, Mr. Nussbaum, Neal
6 Eggleston, Bruce Lindsey, Mark Gearan and myself. From the
7 Treasury Department, Jean Hanson, Josh Steiner and Jack
8 DeVore.

9 Q To your knowledge, were any documents prepared at
10 the White House in preparation for the meeting on
11 October 14?

12 A Not that I'm aware of.

13 Q Did any documents arrive from the Treasury
14 Department in preparation for the October 14 meeting?

15 A Not that I'm aware of.

16 Q What time did the meeting take place?

17 A It was in the afternoon, but I can't recall any
18 more specifically than that.

19 Q What do you recall happened when the meeting
20 began?

21 A Well, I don't remember very much about the
22 meeting. I can tell you the few things that I can remember

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1 from the meeting. I remember that Jack DeVore was
2 mentioning that he had received an inquiry from Jeff Gerth
3 and that Gerth had a misunderstanding about the referral
4 and was attributing some significance to something that was
5 unwarranted; either Gerth was misunderstanding exactly what
6 had happened or he was misunderstanding the reason why
7 things had happened in the way that they had.

8 Q Are you referring to the way that the referrals
9 were routed?

10 A I have a vague recollection that there was
11 something about a stop in Washington. I don't remember
12 anything more specifically than that.

13 Q You mean on the way from Kansas City to Little
14 Rock?

15 A Well, I don't know that I recall that
16 specifically from that conversation. My only independent
17 recollection is that it had something to do with the
18 referral being in Washington. It wasn't clear to me or it
19 is not clear to my recollection whether that meant
20 Washington RTC, whether that meant Washington Justice.
21 There was something about the referral coming to Washington
22 that Gerth was focusing on and that DeVore thought he was

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1 misunderstanding and that DeVore, as I recall, thought that
2 it was easily explainable and that it could just be
3 explained to him and might be a good idea to just explain
4 it to him to set the record straight.

5 I remember that in connection with that
6 discussion, Mr. Nussbaum raised a question. He asked, what
7 would your normal procedure be on something like this?
8 Would you comment or would you not comment? What would
9 your normal procedure be?

10 I don't know if those were his exact words, but
11 that is the substance, as I recall. I think that
12 Mr. DeVore was somewhat inconclusive in his response to
13 what the usual procedure would be. I remember that.

14 I remember Mr. Steiner at one point saying
15 something like that we are talking about public information
16 in response to public inquiries, or a comment along those
17 lines.

18 Q Do you know what Mr. Steiner was referring to as
19 public information?

20 A No, I don't. I don't recall beyond that. I
21 remember a comment. I'm not sure those were the exact
22 words. But that's the comment as I recall it.

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1 I remember Mr. Lindsey mentioning that -- making
2 the same points about the Early Bird that I had mentioned
3 earlier, that he thought it seemed like a strange
4 publication, that it seemed like a leak sheet within the
5 agency, and possibly he also mentioned there that he
6 thought it was a waste of government money also. I don't
7 recall if he made that point as well. But he had made that
8 point earlier, as I recall.

9 I believe those are the only things that I recall
10 from the meeting itself.

11 Q Was there any discussion between Mr. DeVore and
12 any of the White House officials present at the meeting as
13 to how Mr. DeVore should respond to the press inquiry?

14 A Well, I don't recall discussion beyond what I
15 have described. He thought that it was a good idea to set
16 the record straight. I remember -- because there was
17 something that was easily explained. I remember that
18 Mr. Nussbaum raised a question about what the usual
19 procedure would be, would it be to comment or not to
20 comment.

21 Q Do you remember Mr. Nussbaum suggesting to
22 Mr. DeVore that it might be better not to confirm the

1 existence of the criminal referrals?

2 A Well, I remember it -- as I related it, I
3 remember Mr. Nussbaum raising the question and asking what
4 would the usual procedure be and raising a question about
5 it.

6 Q But you don't remember Mr. Nussbaum stating a
7 preference for not confirming the criminal referrals?

8 A I don't remember that specifically. I recall
9 Mr. Nussbaum saying that he was asking the question about
10 what the usual procedure would be.

11 Q Did Mr. DeVore appear to know what the RTC's
12 usual procedure would be in responding to this type of
13 press inquiry? That may be an inappropriate question.

14 You were aware that Mr. DeVore was the assistant
15 Secretary of the Treasury for public affairs and was not an
16 RTC official; correct?

17 A I was aware that Mr. DeVore was a Treasury
18 official.

19 Q What was your understanding as of October 14,
20 1993 as to the relationship between the RTC and the
21 Treasury Department?

22 A I don't think that I had a clear understanding of

1 the exact relationship between them and how different
2 personnel at Treasury might have functions with respect to
3 the RTC as well.

4 Q Did you understand that the RTC was an
5 independent agency?

6 A Well, I understood that the RTC was a separate
7 agency. In terms of its legal status in characterizing it,
8 in terms of its relationship with the Treasury Department,
9 I did not have a clear sense of it.

10 Q In some of your earlier notes that we have
11 already gone through, there was a reference to a press
12 person at the RTC named Steve Katsanos. I think you
13 actually had his last name spelled a little bit
14 differently. But you know what I'm referring to?

15 A I know the reference in my notes to which you are
16 referring.

17 Q Did anyone at the October 14 meeting at the White
18 House suggest that maybe we should suggest with the press
19 people at the RTC to find out what their general practice
20 in fact was as to how to respond to this type of press
21 inquiry?

22 A I don't recall such a discussion.

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1 Q Do you remember any discussion during the October
2 14 meeting relating to any checks that were the subject or
3 that were reported to be the subject of the criminal
4 referrals?

5 A I don't have an independent recollection of
6 that.

7 Q I am going to show you a two-page White House
8 document which is an October 20, 1993 memorandum from Bruce
9 Lindsey to the file. It is X numbers 534 and 535. I ask
10 you just to take a minute or two to read that to yourself
11 and tell us whether that refreshes your memory as to
12 whether any specific information about checks was discussed
13 during the October 14 meeting.

14 (Witness examined the document.)

15 A Okay.

16 Q Does looking at that two-page memorandum from
17 Mr. Lindsey to the file refresh your memory as to whether
18 there was any conversation on October 14 at the meeting
19 regarding checks that were involved in the allegations
20 underlying the criminal referrals?

21 A It does not refresh my recollection.

22 Q Does looking through Mr. Lindsey's memo refresh

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1 your memory as to anything else that occurred during the
2 October 14 meeting that you have not already testified
3 about?

4 A No. It contains some additional detail or
5 explanation about the matter that I was referring to that
6 Mr. DeVore had mentioned about the routing of the
7 referral. It doesn't refresh my recollection. I don't
8 have a reason to doubt it. I am not in a position to
9 confirm it.

10 Q Did you take any notes during the meeting?

11 A Not that I recall. It is sometimes my practice
12 to take scratch notes and not retain them. I am not aware
13 of any such notes and don't recall them.

14 Q You testified previously that at some point after
15 the initial meeting you had with Ms. Hanson on September
16 29, you and Mr. Eggleston did some legal research to try to
17 determine whether you should have the information or
18 whether it was okay for you to have the information at the
19 White House that Ms. Hanson had provided. Was any
20 additional inquiry done between that time and October 14 as
21 to whether it was proper to have the meeting that was to be
22 held on October 14 between White House and Treasury

1 officials, to your knowledge?

2 A Let me just back up for one second. I just want
3 to be careful about your characterization. What I remember
4 the discussion was was to determine if there were
5 applicable rules or regulations.

6 Q I didn't mean to mischaracterize it.

7 A I don't recall any additional -- actually, maybe
8 I should ask you then to restate the question to make sure
9 I am getting it correct.

10 Q Between the time that you and Mr. Eggleston
11 looked into the question of whether there were any
12 applicable rules or laws or regulations that prohibited the
13 White House from having the type of information that
14 Ms. Hanson provided on September 29 and October 14, 1993,
15 did you look further into the question of whether there was
16 anything that would prohibit the White House from receiving
17 the type of information that Ms. Hanson was providing on
18 this subject?

19 A No. There is nothing beyond what I have
20 previously described.

21 Q To your knowledge, did anyone else at the White
22 House look further into this subject?

1 A Not to my knowledge.

2 Q At any time before the October 14 meeting at the
3 White House, did you consult with Beth Nolan as to the
4 ethical propriety of the October 14 meetings?

5 A No.

6 Q To your knowledge, did anyone else at the White
7 House consult with Ms. Nolan on that subject?

8 A Not to my knowledge.

9 Q Did anyone ask you to do anything related to the
10 Madison matter as a result of the October 14 meeting at the
11 White House?

12 A No.

13 Q To your knowledge, did anyone else on the White
14 House staff receive an assignment or a tasking following
15 the October 14 meeting?

16 A The only thing that I'm aware of is there was a
17 brief discussion after the meeting with Mr. Nussbaum and
18 Mr. Eggleston. As I think I mentioned earlier, there was a
19 transition going on where Mr. Eggleston was assuming
20 various matters, some of which I had worked on before. In
21 a brief discussion after this October 14 meeting, I think
22 Mr. Nussbaum said that Mr. Eggleston would handle this and

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1 work on anything that came up with it now. In that sense
2 the transition was complete with respect to anything that
3 might arise with this matter.

4 Q Was it your understanding that you were then not
5 to have any involvement in Madison-related matters after
6 that time?

7 A It was my understanding that Mr. Eggleston was
8 going to be the person responsible after that time.

9 Q Do you recall whether Ms. Hanson said anything
10 during the October 14 meeting at the White House?

11 A Not that I recall.

12 Q More specifically, do you have any recollection
13 of Ms. Hanson passing along any information during the
14 meeting?

15 A Not that I recall.

16 Q Between October 14, 1993 and the end of 1993,
17 December 31, did you have any communications with any
18 officials outside the White House relating to Madison?

19 MR. ROMATOWSKI: Government officials?

20 BY MR. KRAVITZ:

21 Q Let me rephrase the question. Between October 14
22 and December 31, 1993, did you have any communications with

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1 any officials at the RTC or the Treasury Department
2 relating to Madison Guaranty or Whitewater?

3 A Yes.

4 Q What was the first communication that fits that
5 description?

6 A The first and only communication that I am aware
7 of which fits that description was that on December 30, to
8 the extent I have been able to reconstruct it, December 30,
9 1993, I received a message to call Gene Ludwig. I was at
10 home on vacation that week. I received a message to call
11 him. I called him. He was in South Carolina, I believe,
12 at Renaissance Weekend. I called him. He was on the other
13 line. He said he wanted to talk to me and he would call me
14 back soon.

15 Q Let me show you what has been marked as X 1043.
16 Do you recognize that exhibit?

17 A Yes, I do.

18 Q What is that?

19 A That's a copy of a page from my telephone bill.

20 Q Is that your home telephone bill?

21 A Yes.

22 Q Does that indicate a telephone call you made to

1 Hilton Head, South Carolina on December 30?

2 A Yes.

3 Q Does that memorialize the telephone call that you
4 have just testified about?

5 A Yes.

6 Q Did Mr. Ludwig call you back?

7 A Yes.

8 Q Was that on the same date, December 30?

9 A Yes.

10 Q What did Mr. Ludwig tell you?

11 A He said that he had seen the President and the
12 President had mentioned the Madison matter that was in the
13 press, and Mr. Ludwig wanted to get information on the
14 matter, newspaper articles or things of that sort. He said
15 that -- I believe that he said it was difficult to reach
16 people at Treasury because it was the day before New
17 Year's. I mentioned that Joel Klein was down at
18 Renaissance Weekend, and he indicated he knew that. I told
19 him that I or somebody else in the office would get back to
20 him. That's the extent of what I recall of the
21 conversation.

22 Q To the best of your memory, what exactly did

1 Mr. Ludwig say to you during that telephone call in
2 describing the conversation that he had already had with
3 the President?

4 A To the best of my recollection -- I should add it
5 was a brief conversation, I was at home, my kids were
6 running around. I will give it to you the best that I can
7 recall. I think he said that the President had mentioned
8 the Madison matter that was in the newspapers, and he
9 wanted to get this information in case he had a subsequent
10 conversation with the President. If I didn't say that
11 before, I should include that. He wanted to get the
12 material in case he had a subsequent conversation with the
13 President or in anticipation of a subsequent conversation
14 with the President.

15 That's really all that I recall that he related
16 about his conversation with the President.

17 Q Did Mr. Ludwig indicate that he was expecting to
18 have a subsequent conversation with the President about
19 Madison?

20 A He wanted the material or the information from
21 the material in anticipation of a subsequent conversation.
22 As I sit here today, I don't recall exactly whether it was

1 in case he had a conversation with him or because he
2 thought that he definitely was going to have a conversation
3 with him. I don't recall whether it was clear to me at the
4 time. What was clear to me was that he wanted the material
5 and the information in anticipation of a possible
6 subsequent conversation with the President.

7 MR. ROMATOWSKI: Do you remember whether he used
8 the word "Madison" or did he say "Whitewater"? How did he
9 describe the subject? Do you remember what the words
10 were?

11 THE WITNESS: To the best of my recollection, he
12 said the Madison matter.

13 BY MR. KRAVITZ:

14 Q You mentioned that Mr. Ludwig told you that he
15 was hoping to get newspaper articles. Was there other
16 information or materials that Mr. Ludwig said he wanted to
17 have access to?

18 A Not that I recall. I recall it being a general
19 reference to newspaper articles or things of that sort.
20 But I don't recall anything more specifically than that.

21 Q Did Mr. Ludwig tell you during your telephone
22 conversation on December 30 that the President had asked

1 him for some advice or had asked him questions about how
2 the President should deal with the Madison situation?

3 A I don't recall him saying that.

4 Q Is there anything else about the telephone
5 conversation that you had with Mr. Ludwig on December 30,
6 1993 that you can remember but haven't told us yet?

7 A No, there is nothing else that I recall.

8 Q Do you have any notes from that conversation?

9 A I have very fragmentary reference with a couple
10 of phone conversations -- phone numbers and a doodle on a
11 page. To the extent those qualify as notes, I have those.
12 But I don't have any kind of detailed notes or anything
13 like that.

14 Q Did you know who Mr. Ludwig was at the time you
15 talked to him?

16 A It was my understanding that he was the
17 Comptroller of the Currency.

18 Q What was your understanding at that time as to
19 where the Comptroller of the Currency fit in within the
20 government organizational chart?

21 A It was my understanding he was within the
22 Treasury Department.

1 Q What did you do after you spoke with Mr. Ludwig
2 on December 30?

3 A I called Neal Eggleston, who was at work.

4 Q What was that conversation?

5 A I relayed the conversation to Mr. Eggleston, and
6 I said -- I relayed the conversation to Mr. Eggleston and
7 we briefly discussed it and we both agreed that it would be
8 better if a subsequent conversation didn't take place
9 between Mr. Ludwig and the President, and Mr. Eggleston was
10 going to call Joel Klein and report on the conversation to
11 him and I believe report on our view that it would be
12 better if a subsequent conversation didn't take place.

13 Q What was the basis for your opinion that it would
14 be better if a subsequent conversation between Mr. Ludwig
15 and the President not take place?

16 A I don't recall discussing it in detail with
17 Mr. Eggleston, so I don't know the extent to which we
18 discussed it on the telephone conversation.

19 Q Why don't you first tell me to the extent you
20 discussed it with Mr. Eggleston and also tell me what
21 formed the basis of your own personal opinion that it would
22 be better for the conversation not to take place.

1 A Okay. In terms of the conversation, I remember
2 our both coming to that conclusion, and I don't remember
3 much about what we discussed besides that. In terms of my
4 own perspective, it might have been discussed, and I think
5 it was rooted in view of prudence. To some extent, the job
6 of a White House staffer, when we are able to, is to spot
7 something that might be a potential controversy or issue
8 and try to prevent it from occurring if it seems like it is
9 an unnecessary controversy or issue. And this seemed to me
10 to fall into that category.

11 Q How did you distinguish in your own mind the
12 advisability of having a subsequent conversation occur
13 between the President and Mr. Ludwig from the advisability
14 of, say, for example, holding the October 14, 1993 meeting
15 between White House and Treasury officials on the subject
16 of Madison?

17 A I don't recall reflecting back on those
18 conversations at that time.

19 Q Have you reflected back on that issue since that
20 time?

21 A No, I haven't.

22 Q Can you distinguish for us here, can you think

1 about that and tell us what you think about what is the
2 distinction between the advisability of the subsequent
3 conversation between Mr. Ludwig and the President versus
4 the advisability of the October 14 meeting.

5 A To some extent you are asking me to, kind of on
6 the spot, come up with an analysis that I haven't gone
7 through previously. Unless it poses a great difficulty for
8 you, I am inclined to kind of resist doing that, because it
9 seems to me it is putting me in an awkward position. You
10 are asking me to kind of -- you are not asking me about
11 facts or things as a witness. You are asking me to form an
12 analysis and a comparison that I haven't previously.

13 Q Let me ask you this. The way I understand your
14 testimony about the events on December 30 is that your
15 primary objection to there being a subsequent conversation
16 between Mr. Ludwig and the President was one of preventing
17 an unnecessary controversy. Is my understanding accurate?

18 A That's correct. Preventing the possibility of an
19 unnecessary controversy.

20 Q Did ethical considerations play any part in your
21 being opposed to a subsequent conversation between the
22 President and Mr. Ludwig?

1 A Well, it is difficult to say without knowing more
2 what you mean when you say "did ethical considerations play
3 a part." Can I ask you to clarify that or explain on
4 that.

5 Q As you were considering the question whether or
6 not it was advisable for the President and Mr. Ludwig to
7 speak again on the subject of Madison, did you consider
8 whether any ethical rules prohibited such conduct?

9 A I don't recall going through that thought
10 process. If the thrust of your question is was it rooted
11 in this would violate ethical rule 1 or some specific
12 ethical prohibition, that was not the basis of the judgment
13 in my mind or, as I recall, in the discussion with Neal
14 Eggleston. Instead, it was a more general sense that it
15 would be better not to have that conversation occur in
16 light of the potential controversy.

17 Q Did you have any further contact with anyone on
18 December 30 relating to the President's and Mr. Ludwig's
19 conversation?

20 A No.

21 Q What is your understanding as to how that whole
22 issue was resolved?

1 A The following week, Mr. Klein stated to
2 Mr. Eggleston and me that he had talked to Mr. Ludwig about
3 it and had made sure that no further conversation was going
4 to take place, and he thought that we had handled the
5 matter appropriately.

6 Q Did Mr. Klein indicate whether he also spoke to
7 the President about it?

8 A I don't recall specifically whether he indicated
9 that to me at that time or not.

10 Q Have you subsequently heard whether anyone talked
11 to the President about his contact with Mr. Ludwig?

12 A Well, in recent press accounts I have seen that
13 it is stated that Mr. Klein spoke to the President about
14 it. I don't recall whether that was something that
15 Mr. Klein mentioned to me at the time or not.

16 Q Were you involved in monitoring the legislation
17 that led up to the RTC Completion Act in December 1993?
18 Were you aware that that was going on in Congress?

19 A I don't remember any particular awareness of it.

20 Q You have already testified that you were really
21 taken off the Whitewater issue as of mid-October.

22 A Yes.

1 Q Were you focused on other things during the rest
2 of 1993?

3 A Yes, I was. There was an occasional time when I
4 might get called in to something related to Whitewater or
5 Madison on a very sporadic basis. But I was primarily
6 focused on other issues.

7 Q Did any of those other matters that you were
8 called in for during the last 2-1/2 months of 1993 have
9 anything to do with any contacts or communications between
10 White House staff people and officials at the RTC or the
11 Treasury?

12 A No, not that I recall.

13 Q Were you aware that Congress passed the RTC
14 Completion Act in December 1993 at the time?

15 A Not that I recall.

16 Q Do you know whether the Administration took any
17 official position relating to the passage of the RTC
18 Completion Act?

19 A I don't know.

20 Q In the beginning of January 1994, were you still
21 not primarily involved in Whitewater matters, similar to
22 November and December?

1 A Primarily not. Again, there were occasional
2 sporadic issues in which I might become involved. But it
3 was on a very irregular basis.

4 Q We have heard reference to a Whitewater response
5 team. Is that a term you are familiar with?

6 A That term itself is not a term I'm familiar with.

7 Q Was there some group of people within the White
8 House staff who were tasked with responding to
9 Whitewater-related issues beginning in January of 1994?

10 A I don't mind getting into this, but a question
11 arises in my mind about scope. I don't know if this is an
12 issue you have previously addressed with the White House.
13 It seems to jump out when you ask me that question.

14 Q My understanding is there is no objection. They
15 have given us documents relating to the Whitewater response
16 team. They don't appear to have any objection, and
17 Mr. Eggleston testified about it.

18 MR. ROMATOWSKI: If you have a document you would
19 like to show him, maybe he can speak to that if he is
20 familiar with it. He has already told you he is not
21 familiar with the term "Whitewater response team."

22 MR. KRAVITZ: That's why I asked the next

1 question, whether there were a group of people tasked or
2 assigned to dealing with Whitewater-related issues,
3 regardless of whether they had that title assigned to
4 them.

5 THE WITNESS: I don't mind giving an answer to
6 that question. If we are going to get very much further
7 along the lines of internal White House deliberations
8 unrelated to contacts, I guess it raises a question in my
9 mind.

10 To the extent that I was aware that there were
11 certain people within the White House who were focusing on
12 and monitoring the situation with respect to Whitewater in
13 terms of press inquiries and congressional statements and
14 matters of that sort, yes, there were people who were
15 primarily involved in that.

16 BY MR. KRAVITZ:

17 Q Did you have any discussions with anyone else at
18 the White House following the passage of the RTC Completion
19 Act in December 1993 of the effect that that new statute
20 would have on statute of limitations issues relating to the
21 RTC's civil investigation of Madison?

22 A In what time period are you referring?

1 Q Any time following December 1993, when the new
2 statute was passed.

3 A Can I just confer?

4 (Witness conferred with counsel.)

5 MR. ROMATOWSKI: Can we take a quick break?

6 MR. KRAVITZ: Sure.

7 (Recess.)

8 MR. ROMATOWSKI: Read back the last question,
9 please.

10 (The reporter read the record as requested.)

11 THE WITNESS: I think that I had a few brief
12 conversations in either January or February of 1994 with
13 people at the White House about the statute of limitations
14 issue.

15 BY MR. KRAVITZ:

16 Q What conversations did you have on that subject
17 in January of 1994?

18 A I can't distinguish between January and February.

19 Q Can you tell me about those conversations to the
20 best of your memory.

21 A The only things that I recall as I sit here are
22 brief conversations with Michael Waldman, who is a special

1 assistant at the White House, and with Neal Eggleston.
2 Neal was out of town one day and Michael had some
3 questions. So he mentioned it to me in Neal's absence. I
4 wasn't really in a position to be very helpful to him.
5 Neal at one point, I think, was trying to understand the
6 applicable statute of limitations because it had become a
7 public issue and a political issue to some extent. So Neal
8 was trying to understand the operation of the statute. He
9 mentioned that to me. But I never -- I was not personally
10 familiar with the statute or its applicability so I wasn't
11 able to be very helpful either to Mr. Waldman or
12 Mr. Eggleston.

13 Q To your knowledge, did Mr. Eggleston conduct
14 legal research into the effect that the RTC Completion Act
15 of 1993 had on the statute of limitations for the RTC's
16 civil investigation of Madison?

17 A I should add when you keep referring to the name
18 of the statute, that is not a name I was familiar with at
19 the time. But just in terms of what the applicable statute
20 of limitations were, I think Mr. Eggleston tried in a
21 number of ways to get some legal research on it, including
22 asking somebody else in the office, if I recall correctly,

1 to do some research on it.

2 Q Did you become aware in January of 1994 that the
3 newly passed statute extended the statute of limitations
4 for certain civil claims in the Madison case to February
5 28, 1994?

6 A Well, I don't remember it being as a result of
7 the new statute. But I have a vague and general
8 recollection as part of it being a public issue, that that
9 issue was being raised at the time in the political and
10 public context.

11 Q Do you know who Jack Ryan is?

12 A No. It is a name that sounds familiar that I
13 think I have seen possibly in press accounts. But I don't
14 have a clear sense in my mind who Jack Ryan is.

15 Q Did you become aware in January 1994 that Jack
16 Ryan had been appointed deputy CEO at the RTC?

17 A No, I don't recall being aware of that.

18 Q Does the name Ellen Kulka mean anything to you?

19 A Yes.

20 Q Where do you know that name from?

21 A It is my understanding that I believe she was
22 acting general counsel and perhaps became general counsel

1 at the RTC. I'm not 100 percent certain.

2 Q What time period are you referring to?

3 A With respect to what?

4 Q Let me rephrase the question. Did you become
5 aware sometime in mid-January that Ms. Kulka had become the
6 general counsel at the RTC?

7 A I can't locate the time period.

8 Q Were you ever present at the White House during
9 any discussions in which either Ellen Kulka or Jack Ryan
10 were discussed?

11 MR. ROMATOWSKI: Is that internally at the White
12 House?

13 MR. KRAVITZ: Yes.

14 MR. ROMATOWSKI: Once again, I am puzzled by how
15 that is within the scope of an investigation about
16 communications between White House officials and Treasury
17 or RTC officials.

18 MR. KRAVITZ: This is what I was explaining when
19 we were off the record before. These are the officials who
20 would be in charge of Madison-related decisions at the RTC
21 in the event of recusal. That's why I'm asking whether
22 Mr. Sloan had any conversations with anyone else at the

1 White House.

2 Let me rephrase the question.

3 BY MR. KRAVITZ:

4 Q Before February 2, 1994, did you have any
5 discussions or were you part of any discussions at the
6 White House in which either Jack Ryan or Ellen Kulka was
7 discussed?

8 A I am not able to draw the kind of distinctions
9 that you are suggesting.

10 Q At any time have you been privy to discussions at
11 the White House in which Ms. Kulka or Mr. Ryan was
12 discussed?

13 MR. ROMATOWSKI: Can we have a minute off the
14 record for a second.

15 MR. KRAVITZ: Yes.

16 (Recess.)

17 MR. ROMATOWSKI: I am troubled by the fact that I
18 don't understand how this last question is within the scope
19 of the resolution I have in front of me. But because he
20 has a very limited answer, in the interest of moving this
21 along, we will let him go ahead. After that we will take
22 questions one at a time. But we will have problems like

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1 this if there is an extensive further line of this sort.

2 Why don't we go ahead?

3 MR. KRAVITZ: Read back the question, please.

4 (The reporter read the record as requested.)

5 THE WITNESS: I don't recall ever being present
6 when Mr. Ryan was discussed. I have a vague recollection
7 of being aware or of learning that Mr. Nussbaum did not
8 have a high opinion of Ms. Kulka. I don't recall whether I
9 heard that from Mr. Nussbaum directly or whether somebody
10 mentioned attributing -- mentioned that and attributed it
11 to Mr. Nussbaum.

12 BY MR. KRAVITZ:

13 Q Tell us everything you can think of that forms
14 the basis for this vague recollection that you were just
15 describing.

16 A I actually don't recall more than that. I just
17 can remember hearing or being aware at some point that
18 Mr. Nussbaum did not have a high opinion of Ms. Kulka and
19 it was my impression that it was based on prior experience
20 or prior dealings involving her. I might be mistaken.
21 That is the best of my recollection. It is a hazy
22 recollection.

1 Q Do you recall hearing that Mr. Nussbaum had had
2 an experience with Ms. Kulka in the context of
3 Mr. Nussbaum's defense of the Kaye, Scholer law firm in an
4 action involving the OTS, Office of Thrift Supervision?

5 A I don't recall whether I knew that was the
6 specific prior dealing that he had had with her or not.

7 Q Do you recall hearing that Mr. Nussbaum viewed
8 Ms. Kulka as a tough lawyer?

9 A I don't recall more specifically than it was my
10 understanding that he did not have a high impression of
11 her.

12 Q Were you privy to discussions at the White House
13 related to the question of whether Roger Altman should
14 recuse himself from Madison-related matters at the RTC?

15 A I knew only of fragmentary references to that.

16 Q What did you know?

17 A I remember Joel Klein mentioning it to me in the
18 context of discussing the February 2 meeting which
19 Mr. Klein had not himself been present at. I don't recall
20 exactly whether Mr. Klein knew that the subject had been
21 discussed or was speculating that it had been discussed.
22 But I remember some brief references. I also have a vague

1 recollection of being aware of the conversation between
2 Mr. Nussbaum and Ms. Nolan about the subject of recusal,
3 and it was my impression that Ms. Nolan was perhaps talking
4 or going to talk to someone at Treasury just about the
5 legal standards.

6 This was a conversation between Mr. Nussbaum and
7 Ms. Nolan, as best I can recall, after our morning meeting
8 in the counsel's office that I heard in passing. I might
9 have gotten some elements of it wrong.

10 Q Were the discussions that you testified about, to
11 the best of your memory, regarding Ellen Kulka, were those
12 discussions in the context of -- were those discussions
13 that occurred in the context of the issue of recusal and
14 who would be in charge at the RTC of Madison-related
15 matters in the event that Mr. Altman recused himself?

16 A Not that I recall.

17 MR. ROMATOWSKI: We should just mention, you come
18 to refer to these as "discussions," as a shorthand, and I
19 understand what you are getting at. What he has testified
20 to is he has a vague recollection of becoming aware of
21 this. I don't think he is in a position to say that there
22 were discussions, plural, multiple or what have you.

1 MR. KRAVITZ: I think that is a fair point.

2 MR. ROMATOWSKI: So long as that is clear
3 enough.

4 BY MR. KRAVITZ:

5 Q Did you finish your answer?

6 A Not that I recall.

7 Q Did you see Roger Altman at the White House at
8 any time during January of 1994?

9 A Not that I recall.

10 Q Are you aware whether Mr. Altman was at the White
11 House during that month?

12 A I don't know.

13 Q Do you know whether any White House officials
14 asked Mr. Altman during the month of January 1994 about the
15 statute of limitation issue or about the effect of the RTC
16 Completion Act on the statute of limitation for the RTC's
17 investigation of Madison?

18 A I don't know.

19 Q Did you attend a meeting at the White House
20 between Treasury officials and White House officials on
21 February 2, 1994?

22 A No.

1 Q Were you aware that that meeting was going to
2 take place before it happened?

3 A No, I was not.

4 Q When was the first time that you heard about the
5 February 2 meeting?

6 A I heard -- I guess I should add, I have a --
7 having vague reference to seeing Jean Hanson and Roger
8 Altman around that time period and later I wondered if it
9 was for that meeting. But I just saw them walking by. I
10 don't recall a specific time when I learned of it. At some
11 point subsequent to that, I learned of it in a brief
12 reference from Joel Klein.

13 Q Were you present at a meeting of the White House
14 counsel's office, a staff meeting in which Ms. Nolan spoke
15 about the legal issues relating to whether Mr. Altman
16 should recuse himself?

17 A I don't have a specific recollection of that.

18 Q You testified earlier about a conversation that
19 you overheard or part of a conversation you overheard
20 between Mr. Nussbaum and Ms. Nolan on this subject. I
21 think you said it was after one of the White House
22 counsel's office staff meetings.

1 A That's my impression, yes.

2 Q Do you know when that occurred?

3 A No. I'm not certain.

4 Q Can you place it in the month of February 1994?

5 A I believe that it would have been in February.

6 Q Can you place it any more specifically than that?

7 A No. I'm not absolutely certain that it was in

8 February but I believe it would have been in February.

9 Q Do you now know who was present at the February
10 2, 1994 meeting between Treasury and White House officials?

11 A I can tell you what my understanding is. My
12 understanding, as best as I can recall, is that Bernie
13 Nussbaum, Neal Eggleston, Maggie Williams and Harold Ickes,
14 Roger Altman and Jean Hanson were present.

15 Q Have you ever spoken with Mr. Nussbaum about what
16 was said during the February 2, 1994 meeting at the White
17 House?

18 A No, not that I can recall.

19 Q Have you ever spoken with Mr. Eggleston about
20 what was said during the February 2, 1994 meeting at the
21 White House?

22 A No, not that I can recall. I guess I should

1 qualify both of those with just saying that in the last
2 week of February and the beginning of March there was some
3 discussion about Mr. Altman's testimony. I don't recall --
4 I don't have a clear recollection of talking to
5 Mr. Nussbaum or Mr. Eggleston about the substance, even in
6 that time period. Let's go forward. I was trying to think
7 if I did have a conversation, and I had conversations in
8 which various issues connected with Mr. Altman's testimony
9 was discussed. But aside from those references, I didn't
10 have any conversations with Mr. Nussbaum or Mr. Eggleston
11 about it.

12 Q Did you ever have any conversations with
13 Mr. Ickes relating to what was said during the February 2,
14 1994 meeting at the White House?

15 A No.

16 Q Have you ever had any conversations with
17 Ms. Williams, Maggie Williams, regarding what was said at
18 the February 2, 1994 White House meeting?

19 A No.

20 Q Have you ever had any conversations with Roger
21 Altman regarding what was said at the February 2, 1994
22 meeting?

1 A No.

2 Q Have you ever had any conversations with Jean
3 Hanson regarding what was said at the February 2, 1994
4 White House meeting?

5 A No.

6 Q Have you ever heard any conversations that you
7 may not have been part of that included any of those people
8 I have just mentioned and related to what was said during
9 the February 2, 1994 meeting at the White House?

10 A I have heard some references to some things that
11 Mr. Nussbaum and Mr. Eggleston said, although not in any
12 detail, which is again in this later time period after
13 Mr. Altman's testimony.

14 Q Can you tell us about that.

15 A Okay. I'm trying to figure out where the best
16 starting point is. At some point in -- I think Mr. Altman
17 had testified on a Thursday, as I recall.

18 Q I can just tell you for the record it was
19 Thursday, February 24.

20 A On the following Monday, I had some discussions
21 with Mr. Klein about issues with respect to Mr. Altman's
22 testimony. In connection with those discussions, one of

1 the issues was whether recusal had been discussed at the
2 February 2 meeting. Another issue was whether the meeting
3 had been set up with Mr. Nussbaum as had been reported in
4 the press or had been set up with other people at the White
5 House. When I say "as had been reported in the press," as
6 had been reported in press accounts of Mr. Altman's
7 testimony.

8 In connection with those discussions, Mr. Klein
9 mentioned that a potential issue with respect to -- that
10 both of those were potential issues with respect to
11 Mr. Altman's testimony.

12 Q You mean with respect to the accuracy of it?

13 A Yes, with respect to the accuracy of the
14 testimony, yes, that's right.

15 So, with respect to recusal, Mr. Klein was saying
16 to me that it was his understanding that recusal had been
17 discussed at the meeting.

18 Q On February 2?

19 A Yes. And I understood Mr. Klein to be -- that
20 that understanding was coming from Mr. Nussbaum and/or
21 Mr. Eggleston. Similarly, the fact that the meeting had
22 not been set up with Mr. Nussbaum, that was coming from

1 Mr. -- I understood that Mr. Klein had learned that from
2 Mr. Nussbaum.

3 Q Just so the record is clear on that point, the
4 press accounts of Mr. Altman's February 24 testimony had
5 reported that Mr. Nussbaum had set up the February 2
6 meeting and Mr. Nussbaum thought that was inaccurate?

7 A Right, or it had been set up with him, through
8 him or something along those lines. But that's right.

9 Q Is Mr. Klein the only person that you discussed
10 this recusal issue with in this context, in other words, is
11 Mr. Klein the only person who told you that recusal was a
12 subject that was discussed at the February 2 meeting?

13 A Yes. But let me explain a little bit further.
14 Mr. Klein is the only person on that Monday. On the
15 Tuesday of that week there was a meeting in John Podesta's
16 office that I was present for a part of, and Mr. Nussbaum
17 and Mr. Eggleston were present also. One of the subjects
18 that was being discussed was whether Mr. Altman's testimony
19 was accurate with respect to the fact that recusal had been
20 discussed.

21 Q Let me interrupt you for one second so the record
22 is comprehensible.

1 The Monday meeting with Mr. Klein, that would be
2 February 28, if Thursday was the 24th?

3 A Yes, that's correct.

4 Q The Tuesday meeting in Mr. Podesta's office would
5 be Tuesday, March 1?

6 A That's correct. I had a couple conversations
7 with Mr. Klein on Monday, the 20th. One, a given in the
8 discussion, as I recall it, was that recusal had been
9 discussed. I don't remember anybody disputing that. I
10 don't remember any details about the conversation, but I
11 remember that was part of the common knowledge as I
12 understood it.

13 Q The meeting in Mr. Podesta's office on March 1
14 included Mr. Eggleston, Mr. Podesta?

15 A Yes, Mr. Nussbaum, Mr. Klein and myself. I got a
16 message to come to that meeting and shortly after I came,
17 Mr. Nussbaum went and got Bruce Lindsey and Bruce Lindsey
18 was present also.

19 Q Did any of the people who participated in the
20 March 1 meeting in Mr. Podesta's office provide any details
21 about what the discussion on recusal had been at the
22 February 2 meeting at the White House?

1 A No, not that I recall.

2 Q Did anyone indicate that any White House
3 officials had put any pressure on Mr. Altman on February 2
4 not to recuse himself?

5 A When are we talking about?

6 Q I guess initially I want to ask you about the
7 March 1 meeting in Mr. Podesta's office.

8 A I don't recall any discussion of that in
9 Mr. Podesta's office.

10 Q At any other time has anyone told you that any
11 White House official put pressure on Mr. Altman not to
12 recuse himself from the RTC's consideration of
13 Madison-related matters?

14 A Nobody has told me that. I have a vague
15 reference of Mr. Klein at some point possibly speculating
16 whether that was an issue. But I can't locate that with
17 precision in terms of when he mentioned that. Nobody ever
18 told me that.

19 Q Can you tell us everything that you can remember
20 about what you have described as Mr. Klein speculating on
21 this subject?

22 A I basically have told you what I remember. I

1 just remember Mr. Klein at some point speculating about
2 whether that was an issue or might be an issue, something
3 along those lines. As I say, it is a fragmentary
4 reference. I don't remember much about it.

5 Q Can you remember what Mr. Klein said?

6 A I can't recall beyond what I have said.

7 Q Were you aware at the time that Ms. Hanson and
8 Mr. Altman returned to the White House on February 3, 1994?

9 A No, I don't recall being aware of that.

10 Q Have you heard since that time that that
11 occurred?

12 A Not that I can recall.

13 Q Has anyone present at the February 2 meeting at
14 the White House ever said anything to you to indicate what
15 Mr. Altman's position on recusal was during that meeting?

16 A Has anybody -- no.

17 Q Between February 2, 1994 and February 24, 1994,
18 did you have any communications relating to Madison with
19 any officials of the Treasury Department or the RTC?

20 A No.

21 Q Are you aware of any other White House officials
22 who had any communications during that time period with

1 officials from the Treasury Department or the RTC?

2 A Other than what I have discussed, no.

3 Q Were you aware of any people at the White House
4 who were involved in preparing for the oversight board, the
5 RTC oversight board hearings that were to be held before
6 the Senate Banking Committee on February 24, 1994?

7 A I was aware that some people in the White House
8 were focusing on that.

9 Q Who were those people?

10 A Neal Eggleston and John Podesta. But I didn't
11 know what they were doing with respect to it.

12 Q Were you involved in any way in assisting in what
13 Mr. Podesta or Mr. Eggleston was doing?

14 A No.

15 Q You have mentioned a few times in response to
16 questions your understanding that Ms. Nolan, Beth Nolan had
17 some involvement in the preparation of or in the
18 consideration of legal issues related to Mr. Altman's
19 decision whether or not to recuse himself from the RTC's
20 consideration of Madison matters.

21 What is your understanding as to what Ms. Nolan's
22 role was on that issue?

1 A I'm sorry. Could you just restate the question.

2 Q I'm sorry. That was a ridiculously long
3 question.

4 You have said a few times that you know that
5 Ms. Nolan was, I think at one point discussing with
6 Mr. Nussbaum and I think at another point you said you
7 thought Ms. Nolan was working with somebody over at the
8 Treasury Department on the ethical issues related to
9 whether Mr. Altman should recuse himself from
10 Madison-related matters at the RTC. Are you following me?

11 A Yes.

12 Q What is your understanding of the role that Beth
13 Nolan played on that issue?

14 A I didn't have a clear understanding. As I
15 indicated, this was a conversation in passing that I
16 heard. I know generally Ms. Nolan talks to ethics
17 officials at a number of departments or agencies, or at
18 least it is my impression that she does, about matters that
19 come up.

20 Q Do you know whether Ms. Nolan reviewed drafts of
21 a formal ethics opinion that was being prepared by Treasury
22 and RTC officials?

1 A I have no knowledge of that.

2 Q Were you present at the oversight board hearing
3 for the Senate Banking Committee on February 24, 1994?

4 A No.

5 Q Did you watch it on C-Span?

6 A No.

7 Q You have testified already about some concerns
8 that you had and others had at the White House regarding
9 the accuracy of Mr. Altman's testimony. When was it first
10 brought to your attention that there were some possible
11 problems with Mr. Altman's testimony?

12 MR. ROMATOWSKI: I think we are heading into the
13 home stretch here. Can I have a five-minute break to make
14 a five-minute phone call before we turn to that subject?

15 MR. KRAVITZ: Sure.

16 (Recess.)

17 MR. KRAVITZ: There are a few more areas I was
18 intending to go into and the fact that people on both sides
19 of the table have depositions after this one and would like
20 to have lunch, I am going to stop and Mr. Braunreuther will
21 ask questions on behalf of the minority members of the
22 committee.

1 EXAMINATION

2 BY MR. BRAUNREUTHER:

3 Q Good afternoon. I believe Mr. Kravitz concluded
4 his discussions with the period of approximately
5 February 24. Did you play any role in reviewing or
6 preparing questions and answers for Mr. Altman's testimony
7 on February 24?

8 A No.

9 Q Are you aware whether the White House, any of
10 your colleagues at the White House played any role in
11 reviewing questions for Mr. Altman's testimony?

12 A I have no knowledge of that.

13 Q Did you ever see a briefing book which was
14 circulated in connection with Mr. Altman's testimony?

15 A No.

16 Q Did you know at that time that -- did you have a
17 general awareness that Mr. Altman would be testifying on
18 February 24?

19 A Yes. I think that I had a general awareness of
20 that.

21 Q Did you have any discussions with anybody
22 regarding Mr. Altman's upcoming testimony? And I believe

1 you testified that after February 24, your first
2 recollection of any problem being identified came -- let me
3 ask you when was that.

4 A I'm sorry? When was what?

5 Q When did you first learn there had been a problem
6 with Mr. Altman's testimony that was given on February 24?

7 A When you say "a problem," let me just say I knew
8 on the morning of February 25 there were press accounts of
9 the testimony, and I believe that The New York Times in
10 particular focused on the fact of his testimony regarding
11 the February 2 meeting. I recall that that morning on
12 Friday, February 25, Joel Klein at the morning meeting of
13 the counsel's office mentioned that the White House might
14 be putting out some kind of a statement with regard to the
15 February 2 meeting later in the day.

16 Q Who was in attendance at this February 25 staff
17 meeting that Mr. Klein spoke of?

18 A Well, I remember Mr. Nussbaum was out of town.
19 Generally the meeting was for the people in the counsel's
20 office. Not everybody comes to every meeting. But you try
21 to come to them whenever you can.

22 I remember there were a number of people in the

1 room. I remember that Neal Eggleston was present. I think
2 he came in late actually because I remember that Joel asked
3 Neal to describe the testimony or give a briefing of the
4 hearing.

5 Q Did Mr. Eggleston raise any issues about the
6 accuracy of Mr. Altman's testimony as it had been given the
7 day before?

8 A Not that I recall.

9 Q Do you recall any discussion at that February 25
10 meeting regarding Mr. Altman's recusal and his testimony
11 with respect to that issue?

12 A Not that I recall on Friday, February 25.

13 Q Do you recall whether at that Friday, February 25
14 meeting anybody raised the issue that Mr. Altman had
15 omitted the fact that recusal was discussed with the White
16 House?

17 A Not that I recall.

18 Q Give me a sense, if you can, whether there was
19 general alarm about the accuracy of his testimony, if you
20 recall.

21 A "General alarm" is kind of a broad term. I don't
22 recall --

1 Q I'm looking for your insight as to what matters
2 were discussed at that meeting.

3 A At which meeting?

4 Q The February 25 meeting.

5 A At the counsel's office meeting, the morning
6 meeting? There was a brief summary. There was attention
7 to the fact that The New York Times had focused on this
8 February 2 meeting, as I mentioned. Joel Klein mentioned
9 that he asked Neal to briefly summarize the meeting and
10 Neal commented on a few general points from the meeting,
11 but I don't recall any of them relating to the accuracy of
12 Mr. Altman's testimony.

13 Q Did Neal comment that recusal had been discussed
14 at the February 2 meeting?

15 A I don't recall him saying that, no.

16 Q I take it from your testimony that there was no
17 discussion about these issues on the evening of February
18 24?

19 A When you say "these issues" what are you
20 referring to?

21 Q Any issues relating to Mr. Altman's testimony
22 earlier in the day.

1 A At some point late in the afternoon on February
2 24, I was in Mr. Klein's office and he reported to me, he
3 related a report that he had gotten from Mr. Eggleston
4 about the hearings.

5 Q Can you tell me everything you know about that
6 report.

7 A I remember that he said that it seemed that the
8 Democrats and Republicans were at a different hearing,
9 because the Democrats were focusing generally on RTC
10 oversight issues and the Republicans were focusing on
11 Whitewater/Madison issues. I remember that he said that --
12 I believe that he said that the hearing had gone reasonably
13 well. I think that he said that there had been an issue
14 with respect to the FDIC and an investigation or a report
15 that they had done about Mrs. Clinton's representation of a
16 client and that the FDIC was going to take another look at
17 the matter, or something along those lines.

18 There may have been a reference to the fact that
19 he talked about the February 2 meeting. I don't recall if
20 that was brought up in this late Thursday conversation or
21 not. It was a fairly brief report, and Mr. Klein was
22 relaying what Mr. Eggleston had said.

1 Q Let me ask you, is it routine for someone from
2 White House counsel's staff to sit in on testimony given by
3 Treasury to the Banking Committee?

4 A I'm not in a position to answer that specific
5 question. There are times in connection with different
6 hearings or different meetings on the Hill where people
7 from the counsel's office and other people from the White
8 House come to the Hill for various purposes.

9 Q And presumably in each of those instances it is
10 because the White House counsel's office has a particular
11 interest in the matter which is going to be the subject of
12 the hearings?

13 A Sure, that would ordinarily be the case, that
14 there would be a reason why somebody was attending the
15 hearing.

16 Q In this case, was the interest of White House
17 counsel related to the fact that Madison matters would be
18 discussed at the hearing?

19 A I don't know. You are asking me to speculate
20 about that. I just know that Neal attended the hearing,
21 but I don't know about the thought process that went into
22 his attending it.

1 Q You can't share with us any insight as to why the
2 White House counsel's office took interest in this
3 particular hearing beyond what you have already testified
4 to?

5 A I don't recall any specific discussions about
6 that. As I have indicated, I wasn't really involved in the
7 discussions about the hearings or about Mr. Altman's
8 testimony or anybody else's testimony.

9 Q Did you have any discussions with anybody about
10 Mr. Altman's testimony or Whitewater/Madison issues over
11 the weekend of, I guess it would be February 26 and 27th?

12 A No, I didn't.

13 Q Did anybody up to the morning of -- any time
14 during that period consult with you about your
15 recollections of earlier meetings with Ms. Hanson and
16 Mr. Altman or other Treasury officials?

17 A Let me explain what I recall of that. On the
18 morning of Friday, February 25, after the counsel's office
19 morning meeting that I was referring to and after Mr. Klein
20 had mentioned that the White House might issue a statement
21 about the February 2 meeting, I mentioned to Mr. Klein
22 afterwards that -- I explained to Mr. Klein briefly about

1 the conversations that I was aware of in September and
2 October.

3 And I said to Mr. Klein that I thought it was
4 important that somebody at the White House not
5 inadvertently suggest that the February 2 meeting was the
6 only time that there had been a conversation between
7 anybody at Treasury and anybody at the White House on this
8 matter because I was aware of these prior conversations and
9 I was concerned about inadvertent inaccuracy being put into
10 a statement.

11 Q Were you concerned that there had already been an
12 inaccuracy in Mr. Altman's testimony with respect to those
13 meetings?

14 A I was not concerned about that at that time. I
15 wasn't really familiar with the entirety of Mr. Altman's
16 testimony or the precise nature of it. So, I was concerned
17 at that time with making sure that there wasn't an
18 inadvertent inaccuracy in a White House statement.

19 Q To your knowledge, were you the first one to
20 raise at the White House that there had been these earlier
21 meetings during the period after Mr. Altman had completed
22 his testimony?

1 A As far as I know, I was. I can't speak for
2 everybody in the White House in those situations,
3 obviously. I don't know of anybody mentioning it before
4 me.

5 Q Was there anything in your discussion with
6 Mr. Klein which would indicate that Mr. Klein had prior
7 notice of those discussions?

8 A No.

9 Q To the best of your recollection, he learned this
10 for the first time as you related it to him?

11 A That's correct.

12 Q What was it about that discussion which suggested
13 it would be appropriate to raise these conversations at
14 that particular time?

15 A I just was concerned that in responding to the
16 news story, there not be an inadvertent inaccuracy in the
17 response. It was just something that occurred to me as I
18 heard Mr. Klein discuss the fact that the White House was
19 going to put out a statement about this. It was just kind
20 of a step of prudence and precaution to try to make sure
21 that there not be an inadvertent inaccuracy.

22 Q Is it fair to say the statement that the White

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1 House was contemplating could have been interpreted or
2 incomplete without the benefit of your information?

3 A No. That is not really an accurate statement of
4 what I'm saying. I didn't know what the statement was,
5 what it was going to be. I wasn't commenting on the
6 content of the statement. I just thought that I should let
7 Mr. Klein know about this so that it just -- in the event
8 that such an inadvertent inaccuracy was included in the
9 response, it could be corrected or it could be prevented.
10 But I was not responding to a draft. I didn't have a
11 detailed sense of what the statement was going to say at
12 all.

13 MR. ROMATOWSKI: Can I interrupt? The context of
14 this was there had been a New York Times story that focused
15 closely on a February 2 meeting; is that right?

16 THE WITNESS: On Mr. Altman's testimony about the
17 February 2 meeting, that's correct.

18 MR. ROMATOWSKI: You heard that there was going
19 to be some sort of White House statement in response; is
20 that right?

21 THE WITNESS: That's correct.

22 MR. ROMATOWSKI: So the point is that --

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1 BY MR. BRAUNREUTHER:

2 Q Any response to an article about White
3 House-Treasury contacts theoretically could touch on White
4 House-Treasury contacts and should be complete?

5 A No. I wasn't saying that it necessarily had to
6 include it. What I was concerned was that there was --
7 just that the statement be accurate that it not include a
8 sweeping statement to the effect that this was the only
9 time there had been contact between White House and
10 Treasury on this matter, something along that line, to
11 prevent an inaccurate statement.

12 Q After you had -- do you recall anything else
13 about your discussion with Mr. Klein on the morning of --
14 is it the morning of February 25?

15 A Yes, it was. We briefly discussed who he should
16 raise the issue with. I suggested that he should raise it
17 with Bruce Lindsey because Bruce had been familiar with the
18 earlier conversations.

19 Q Did you make any other suggestions?

20 A No, not that I recall.

21 Q Aside from what you have already related, do you
22 recall anything more about this conversation?

1 A No.

2 Q And following the conversation, did you take any
3 further action during the course of February 25 involving
4 this matter?

5 A Later in the morning, I was out of the office and
6 I called Mr. Klein just to see if he needed any assistance
7 on it, and he said that no, he had followed up. Then later
8 in the day I bumped into Bruce Lindsey and he mentioned
9 that Mr. Klein had talked to him or had mentioned it to him
10 and he thought it was a good point and appreciated my
11 raising it or words to that effect.

12 Q What time in the day did you speak to Mr. Lindsey
13 about this matter?

14 A My estimate would be early afternoon, something
15 like that.

16 Q Is there anything else you recollect about your
17 discussion with Mr. Lindsey on this point?

18 A No. It was a passing conversation as we were
19 passing each other in the hall.

20 Q And following your discussion with Mr. Lindsey,
21 did you have any other discussions with anyone else during
22 the course of Friday, February 25 regarding the issues

1 raised in Mr. Altman's testimony?

2 A No, not that I recall.

3 Q Did either Mr. Lindsey or Mr. Klein ask you to
4 relate to them everything you recalled about the earlier
5 White House-Treasury contact meetings?

6 A No.

7 Q Did you in fact inform Mr. Klein about what you
8 can recall regarding earlier meetings?

9 A I gave him a brief summary of what I could
10 recall.

11 Q Did your brief summary, to your recollection,
12 include identifying that there had been a meeting on
13 September 29?

14 A Well, I would not have known the dates at that
15 time, but the fact that there had been a brief
16 conversation. I don't recall whether on the 25th whether I
17 went through the conversations one by one with Mr. Klein or
18 just told him that there had been a few conversations. It
19 was my -- my conversation with him was pretty brief. The
20 point was, as I discussed earlier, to prevent the
21 inadvertent inaccuracy. But I don't recall the level of
22 detail.

1 Q On February 25 in these discussions you
2 described, did you include the fact that the earlier
3 discussions pertained to criminal referrals?

4 A I don't recall the detail. I believe that I said
5 that it pertained to a referral from the RTC. But I don't
6 recall the detail that I went with him on that day on the
7 25th in any greater detail than we have gone into.

8 Q Did anybody express a view to you during these
9 conversations or at any time during that day that this
10 could be a problem, the fact that there had been additional
11 White House-Treasury contacts?

12 A No, I don't recall that being expressed to me on
13 February 25.

14 Q Do you recall anything else about Friday,
15 February 25 regarding these matters?

16 A No.

17 Q I believe I asked you earlier whether you had any
18 discussions over the weekend with respect to these issues.

19 A That's correct.

20 Q Did you?

21 A No, not that I recall.

22 Q What was the next time that you recall discussing

1 these matters with anyone else?

2 A Monday, February 28, Mr. Klein asked me to have
3 lunch with him. Some of this touches on matters that we
4 have gone over before. In the course of the lunch,
5 Mr. Klein mentioned that he was concerned about two issues
6 with respect to Mr. Altman's testimony. One was the fact
7 that recusal had been discussed at the meeting, it was his
8 understanding, and the second was that according to the
9 press accounts, it said the meeting had been set up with
10 Mr. Nussbaum. Mr. Nussbaum was back in town and said the
11 meeting had not been set up with him.

12 I don't recall exactly who Mr. Klein said the
13 meeting had been set up with, but it was not Mr. Nussbaum.
14 So he was concerned about these two points, and we
15 discussed it over lunch. First of all, we both agreed that
16 press accounts of testimony were not the best way to
17 understand what had occurred during the testimony, that you
18 really needed a transcript to understand the testimony.
19 Secondly, Mr. Klein came to the conclusion that he was
20 going to ask Mr. Eggleston to review the transcript and
21 determine if there were any issues and report on it to
22 him.

1 I bumped into Mr. Klein in the hall a while later
2 and he said he had that conversation with Mr. Eggleston and
3 Mr. Eggleston was going to do that.

4 Q Do you know when a copy of the transcript was
5 first obtained?

6 A Well, I know that one was available that Monday.
7 It is my understanding it wasn't -- if I recall correctly,
8 it wasn't the nice printed version on separate lines. It
9 was the kind that you can get, I believe that you can get
10 unlined, that kind of has the pages jumbled in terms of
11 where the lines are. It was I guess a preliminary version
12 of the transcript. One was available Monday afternoon, it
13 was my understanding.

14 Q One was not available to the best of your
15 recollection at the time you had lunch with Mr. Klein?

16 A We did not know if one was available. But he
17 later -- he told me he was going to have Mr. Eggleston do
18 that. Then late in the afternoon -- I was out of the
19 office. But I talked to Mr. Klein on the phone and he said
20 that Mr. Eggleston had reviewed the transcript and was
21 going to tell him and Bernie Nussbaum about it and he
22 wondered if I could be present, and I was out of the office

1 and it was difficult for me to be there. He said maybe we
2 will have Beth Nolan do it. That's why I said it is my
3 understanding a transcript was available that afternoon.

4 Q Did anybody else participate in your lunch with
5 Mr. Klein on February 28?

6 A No.

7 Q How long did the lunch last?

8 A It was a normal lunch. We had a sandwich. We
9 walked to a restaurant, sat down and had lunch, had a
10 sandwich and went back.

11 Q Approximately an hour?

12 A 30 minutes to an hour.

13 Q Was this the principal subject of discussion at
14 your lunch with Mr. Klein on February 28?

15 A It was a subject of discussion. It is the one I
16 recall. I imagine we talked about other subjects as well
17 but I don't recall offhand.

18 Q Did you discuss at all with Mr. Klein on February
19 28 during this luncheon your earlier contacts with Treasury
20 representatives that you referred to earlier?

21 A Not during that luncheon. Later that day I did.

22 Q Do you have any additional recollection of any of

1 the matters discussed at the luncheon with Mr. Klein on
2 February 28?

3 A No, not that I recall.

4 Q Following the luncheon, what was your next
5 contact with anyone regarding Mr. Altman's testimony or the
6 issues raised by his testimony?

7 A I think I mentioned I had this phone conversation
8 with Mr. Klein late in the afternoon where he said
9 Mr. Eggleston was going to report. He asked if I was going
10 to be present and then he said he could have Beth Nolan
11 present.

12 After that, moving on from that, Monday evening
13 at 8:00 or 8:30, Mr. Klein came by my office and he
14 reported on the meeting that he had had. He said that
15 first of all, the point about Mr. Nussbaum, about whether
16 the meeting had been set up with Mr. Nussbaum was not as
17 great a concern because I think that what Mr. Altman had
18 testified to, if I remember correctly, was that he had
19 requested the meeting with Mr. Nussbaum. So, that was
20 consistent with requesting it with somebody besides
21 Mr. Nussbaum.

22 So that wasn't as much of a concern.

1 With respect to the recusal point, he said that
2 there had been substantial discussion about whether recusal
3 was included within the testimony. I believe that
4 Mr. Altman had said something about that the meeting had
5 been on statute of limitations and other procedural issues,
6 or something like that, and there had been a fair amount of
7 discussion about whether recusal was fairly included within
8 other procedural issues.

9 Mr. Klein indicated that they were going to sleep
10 on it. I think he said they had consulted John Podesta on
11 the issue also and that Podesta also was beginning to sleep
12 on it.

13 Q Did he say anything else during this -- let me
14 take you back a step.

15 Can you describe how it is that you came to meet
16 with Mr. Klein on Monday evening between approximately 8:00
17 and 8:30 on February 28?

18 A I think he called me or left a message for me and
19 then he said he was going to come by my office, and he came
20 by my office.

21 Q Did you have the impression that between the time
22 that you had last spoke with Mr. Klein sometime in the

1 afternoon, and this meeting at 8:00 or 8:30 in the evening,
2 that he had spent some time developing the facts and
3 developing a greater understanding of both what the actual
4 testimony was and what the actual facts were?

5 A My impression was the meeting he mentioned to me
6 on the phone had taken place with Mr. Eggleston reporting
7 on the transcript, reviewing the transcript. Mr. Klein
8 also had a copy of the transcript with him. When he was
9 talking about whether recusal was encompassed within that
10 phrase, we were kind of going through different lines of
11 the testimony and discussing whether it was encompassed or
12 not.

13 Q Was anybody else in attendance at your meeting on
14 Monday evening with Mr. Klein?

15 A No.

16 Q Let me see if I understand this. You and he had
17 a copy of the transcript or he brought with him a copy of
18 the transcript?

19 A That's correct.

20 Q You went line by line through some of the
21 pertinent passages?

22 A Through at least one pertinent passage, yes.

1 Q What passage was that, to the best of your
2 recollection?

3 A To the best of my recollection, it was a passage
4 that included this reference to other procedural issues or
5 procedural issues.

6 Q Just to put this issue in focus, is it accurate
7 to say that to the best of your recollection, Mr. Altman
8 had made no explicit reference to the fact that the
9 February 2 meeting included discussions of recusal?

10 A To the best of my recollection, Mr. Klein
11 reported that there was no specific mention of recusal in
12 terms of the word "recusal."

13 Q The issue under discussion was whether
14 Mr. Altman's reference to the statute of limitations and
15 other procedural issues could fairly be interpreted to
16 encompass the issue of recusal?

17 A That's my recollection.

18 Q And as you and Mr. Klein reviewed this, did
19 either of you express an opinion as to whether or not this
20 could be construed by Congress or the press as having been
21 incomplete or misleading?

22 A We discussed whether it seemed like it was fairly

1 encompassed within that term.

2 Q Did you express a view on that point?

3 A I recall that we were batting it back and forth.

4 As I said, Mr. Klein indicated that people were going to

5 sleep on it. I think I was somewhat skeptical in the

6 conversation about the extent to which it was encompassed.

7 But I didn't have a kind of final view. This was a

8 conversation just based on discussing its passage. As I

9 said, we were tossing it back and forth.

10 Q Can you explain what you mean by being skeptical

11 as to whether or not recusal fit within the broad term

12 procedural issues.

13 A I can't say anything more specifically. Maybe

14 that wasn't the best use of words. It was just we were

15 having a discussion about whether it was encompassed within

16 it or not. I guess the best way to put it is that as I

17 said earlier, Mr. Klein indicated that he felt that the

18 reference to Mr. Nussbaum setting up the meeting was not as

19 much of a concern in light of the transcript, and Mr. Klein

20 didn't have and I didn't have the same level of comfort or

21 reassurance with respect to the reference to procedural

22 issues but we weren't in a position to kind of make a

1 definitive conclusion on it.

2 Q To the best of your recollection, was there any

3 expression more specific than you have already related to

4 us, either by yourself or Mr. Klein, about whether or not

5 this testimony by Mr. Altman appeared to be or could be

6 misleading?

7 A As I said, we were reading the passage and trying

8 to understand how it would be viewed in light of the

9 fact -- as I was just mentioning, we were not reassured by

10 the transcript in the same way as we were reassured by the

11 other points. It was a point of real concern that I had

12 and Mr. Klein that it could be interpreted as not being a

13 full description. So that was still very much a concern

14 that I had and that Mr. Klein had.

15 Q Did anybody during this period or even after that

16 time make you aware that Mr. Eggleston had had a specific

17 discussion with Mr. Altman regarding his upcoming testimony

18 prior to February 24?

19 A No.

20 Q Did you have any knowledge that Mr. Eggleston had

21 discussed a proposed question and answer for Mr. Altman

22 regarding White House contacts prior to his testimony?

1 A No.

2 Q The same question with whether or not -- my
3 colleague, Mr. Kravitz, points out this conversation I'm
4 questioning about may have occurred between Mr. Eggleston
5 and someone on Mr. Altman's staff. With that
6 clarification, do you have any recollection of being
7 advised that Mr. Altman or someone on his staff had been
8 consulted prior to his February 24 testimony about his
9 questions and answers regarding the February 2 meeting?

10 A No.

11 Q To this day, do you have any knowledge whether
12 anyone from the White House had spoken with Mr. Eggleston
13 prior to his February 24 testimony regarding --

14 A Did you mean Mr. Eggleston?

15 Q Yes.

16 MR. ROMATOWSKI: Spoken with Mr. Eggleston?

17 BY MR. BRAUNREUTHER:

18 Q I'm sorry. Spoken with Mr. Altman regarding his
19 expected testimony.

20 A I have no knowledge of that.

21 Q How long did you meet with Mr. Klein on the
22 evening of Monday, February 28 discussing these matters?

1 A It is hard to estimate, but maybe 30 minutes,
2 maybe less.

3 Q To your knowledge, how many different people
4 within the White House staff were involved in looking at
5 this issue, that being the accuracy of Mr. Altman's
6 testimony regarding White House-Treasury contacts on
7 February 28?

8 A Just the ones that I discussed.

9 Q Which would include yourself, Mr. Klein,
10 Mr. Eggleston?

11 A Let me get back to myself in a second.
12 Mr. Eggleston, Mr. Klein, Mr. Nussbaum. Mr. Klein had
13 mentioned that he was going to get Ms. Nolan to attend the
14 meeting. I thought that that had occurred but I don't know
15 if I was absolutely certain that she had attended.
16 Mr. Klein mentioned that Mr. Podesta had been consulted on
17 the matter on the 28th. With respect to myself, I have had
18 the conversations that we have discussed.

19 There was one other conversation that I had with
20 Mr. Klein, part of this conversation. In the course of
21 this conversation --

22 Q We are talking about the evening conversation on

1 February 28?

2 A Right. In the course of that conversation there
3 was something Mr. Klein said that made me say I hoped there
4 wasn't a question to Mr. Altman which should have elicited
5 the prior conversations and didn't. Mr. Klein said, well,
6 you better take a look, you better read the transcript and
7 take a look. He made a copy of the transcript for me.

8 Q When you reviewed the transcript, did you make
9 any observations about whether there had been a question
10 posed to Mr. Altman which should have elicited the prior
11 conversations?

12 A I took the transcript home and reviewed it at
13 home. I was concerned that there were a couple of
14 questions which it seemed to me that a reference to the
15 prior conversations would have been helpful in the
16 response.

17 Q What do you mean by "would have been helpful"?

18 A I don't have the exact question and answer in
19 front of me. I remember a couple of questions, one of them
20 by Senator Bond which, I think, related to conversations
21 between anybody at the White House and anybody at either
22 Treasury or RTC or something like that. I may be

1 misremembering it. It has been a long time since I saw the
2 exact question.

3 I thought, based on my knowledge, I thought that
4 a full answer would have included reference to the prior
5 conversations. I didn't know and don't know what
6 Mr. Altman's knowledge was at the time. But just looking
7 at the question and the answer, I had some knowledge which
8 I thought was responsive to the question.

9 Q Let me show you what has been marked as Document
10 X11, which appears to be a copy of the transcript of the
11 Senate Banking Committee hearing dated March 1. There is a
12 cover memo on the transcript. The memo appears to be dated
13 March 1. I would like you to take a look at that and see
14 if that is the form of the transcript that you were able to
15 review on the evening of Sunday -- Monday, February 28.

16 A No, it is not. To the best of my recollection,
17 the transcript that I was reviewing that night was the kind
18 of jumbled copy that I was referred to earlier.

19 Q Do you believe it was an accurate transcript of
20 the testimony given by Mr. Altman in response to questions?

21 A I have no way of being in a position to gauge
22 that.

1 Q You have no reason to believe it was an
2 inaccurate copy of his actual testimony?

3 A That's correct, I have no reason to say that.

4 Q What time in the evening was it on the evening of
5 February 28 that you were reviewing in your home
6 Mr. Altman's testimony from the February 24 hearing?

7 A It was probably around 10:00, something like
8 that.

9 Q From what I have been able to observe, it is a
10 rather lengthy transcript; is that a fair statement?

11 A Compared to what?

12 Q It is what it is. Did you have an opportunity to
13 look through it to review most of Mr. Altman's testimony?

14 A It is my recollection that I read through the
15 testimony. That's to the best of my recollection I did.

16 Q Do you recall how much time you spent reviewing
17 the testimony?

18 A No, I don't.

19 Q Did you have specific instructions from Mr. Klein
20 to take the transcript home and take a look at it and
21 review it for accuracy to the best of your ability?

22 A As I have described, Mr. Klein said you better

1 take a look at it and see.

2 Q Before we conclude on that day, February 28,
3 would you consider it a fair inference that this became an
4 important issue within the White House on February 28, that
5 the testimony be reviewed and corrected to the extent that
6 it needed to be?

7 A The facts are as I have related them. I didn't
8 know in terms of kind of characterizing it in a summary
9 fashion like that. I shouldn't really go beyond just
10 stating the facts as I have related them to the best of my
11 recollection.

12 Q I would like you to give me your own insight or
13 impression about the priority of this matter on February 28
14 within the White House counsel's staff.

15 A I can tell you that I viewed it as an important
16 matter. I related it. Beyond that in terms of what
17 Mr. Klein's actions were, what the actions of the other
18 people in the office were, I didn't have any other
19 discussions with other people about priorities. So I am
20 not in a position, and you can draw inferences from the
21 sequence of meetings and conversations, but beyond kind of
22 characterizing my own view and saying that I am not aware

1 of other conversations that shed light on it, I can't
2 really go further.

3 Q Do you recall how much of your own working day
4 you spent with respect to this matter?

5 A It is exactly as I have stated it, which is that
6 the lunch with Mr. Klein, the brief hallway conversation
7 with Mr. Klein when we were told Mr. Eggleston was going to
8 do that, the telephone conversation with Mr. Klein later,
9 the meeting with Mr. Klein in the evening, my review of the
10 transcript at home. I had a subsequent telephone
11 conversation with Mr. Klein late that evening as well, and
12 that is the amount of time I spent on it that day.

13 Q Let me focus you to the time that you had the
14 transcript with you when you were in your home on the
15 evening of February 28 when you were reviewing it for
16 accuracy and in particular to examine the question whether
17 or not Senators had posed questions which fairly should
18 have elicited the prior conversations between Mr. Altman
19 and the staff and the White House.

20 With that direction, do you recall having
21 identified any particular questions that you thought were
22 not properly answered by Mr. Altman?

1 A First of all, in terms of -- let me just say
2 questions that I identified as possibly problematic with
3 respect to this issue or answers that I identified as
4 possibly problematic with respect to this issue. I
5 remember a question of Senator Bond's, as I was explaining
6 earlier, and I think there might have been another question
7 as well. But I remember one of Senator Bond's questions.

8 Q What was that question, to the best of your
9 recollection?

10 A To the best of my recollection, and again I point
11 out it has been a while since I looked at the transcript,
12 it was something about a question with respect to
13 conversations or communications between people at the White
14 House and people at Treasury or the RTC.

15 Q What conclusion did you reach after reviewing the
16 question posed to Mr. Altman and the answer he had given at
17 the hearing?

18 A As I said, I thought based on my knowledge that
19 an answer should have included reference to the prior
20 conversations. But I emphasize again that I did not know
21 what Mr. Altman's knowledge was at the time. I was just
22 basing that on my knowledge, looking at the question and

1 the answer.

2 Q During the course of that day, February 28, did
3 you speak to either Mr. Eggleston or Mr. Podesta about this
4 matter?

5 A Not that I recall, no.

6 Q Did you speak to anyone other than Mr. Klein?

7 A Not that I recall, no.

8 Q Incidentally, did you have any understanding that
9 Mr. Klein was going to be responsible for coordinating the
10 effort to look into this issue?

11 A I'm not sure I understand the question.

12 Q The question is withdrawn. Let me read from the
13 transcript that I have mark -- which has been marked as
14 Document X11.

15 One of the questions posed at the hearing to
16 Mr. Altman, I would like to know whether or not you had an
17 opportunity to review this question on the evening of
18 February 28 and what your view about the accuracy of the
19 statement is.

20 "Senator Gramm: Let me begin. I just have a
21 simple question I want to ask of most of the members of the
22 panel. Mr. Altman, I want to ask you first, have you or

1 any member of your staff have had any communications with
2 the President, the First Lady or any of their
3 representatives including their legal counsel or any member
4 of the White House staff concerning Whitewater or the
5 Madison Savings & Loan?

6 "Mr. Altman: I have had one substantive contact
7 with the White House staff. I don't have to tell you about
8 it."

9 Did you review that question and that answer?

10 A I believe that I reviewed the transcript as a
11 whole.

12 Q Do you have a view today based on everything you
13 know about the case whether that was an accurate answer at
14 the time?

15 MR. KRAVITZ: I need to object because I don't
16 think that is a fair question in light of the fact that the
17 answer -- it is obvious in the transcript that the answer
18 was interrupted by Senator Gramm. He didn't let Mr. Altman
19 finish and that there is an additional answer.

20 BY MR. BRAUNREUTHER:

21 Q Let me give you a copy of the transcript I read
22 from. If you can take a look at that as well as the text

1 surrounding it so you can place it in context, I would
2 appreciate you doing that.

3 (Witness examined the document.)

4 A Okay. What is the question?

5 Q Referring to the passage that I read, to your
6 knowledge, was that an accurate answer to the question
7 which was posed to Mr. Altman?

8 MR. ROMATOWSKI: Can I say, we have an awful
9 thick transcript here with an awful lot of questions.

10 MR. BRAUNREUTHER: I take your point.

11 MR. ROMATOWSKI: I just don't see how you gather
12 any new facts by asking Mr. Sloan to go through and
13 question by question review Mr. Altman's testimony and
14 opine whether or not it is accurate. He has explained to
15 you what the facts were as he knew them. He is unfamiliar
16 with Mr. Altman's testimony beyond reading it on the cold
17 page, and it speaks for itself and whatever inferences are
18 to be drawn from it. I just don't see how he is a witness
19 to add anything to that.

20 MR. BRAUNREUTHER: Are you finished?

21 MR. ROMATOWSKI: That's my remark.

22 MR. BRAUNREUTHER: Is that number one?

1 MR. ROMATOWSKI: That's my remark. I would urge
2 you to move on and put a question that will elicit facts
3 from this witness rather than an inference you are asking
4 him to draw from other information that is equally
5 available to you. Our time is limited. We don't have all
6 day for this. We are all due someplace in an hour. We
7 have been at this now for about four hours.

8 MR. BRAUNREUTHER: I have been at this for about
9 half an hour. As I started to say to you before, I don't
10 intend to take him through the entire transcript. On the
11 other hand, I do want to know what his impressions were and
12 I think the Senate will want to know what his impressions
13 were when he read this transcript on the evening of
14 February 28 as to its accuracy. I don't want to waste time
15 in dialogue.

16 MR. ROMATOWSKI: That last question has been
17 asked and answered at least twice.

18 You can answer it again, what his reaction was.

19 BY MR. BRAUNREUTHER:

20 Q Why don't you tell me in your own words so that
21 it is clear on the record what your impression was after
22 reviewing the questions and answers that Mr. Altman had

1 given as to the accuracy of his answers.

2 A I thought that based on my knowledge, I was
3 concerned that answers on the subject of prior
4 conversations with the White House were not complete, to
5 the extent of my knowledge. As I think I mentioned, I
6 recall noticing a question of Senator Bond's and possibly
7 one other question, but I don't recall offhand what the
8 other question was.

9 Q Did your concern as to the accuracy of
10 Mr. Altman's testimony pertain to the fact that he had
11 omitted prior meetings which you were aware of?

12 A My concern pertained to the fact that prior
13 conversations which I was aware of were not included in the
14 answer.

15 Q Did your concern also pertain to the fact that
16 Mr. Altman had failed to disclose that earlier meetings
17 related included discussions of recusal?

18 MR. ROMATOWSKI: He has mentioned a couple times
19 and it is worth mentioning again, he is not stating
20 Mr. Altman failed to disclose anything. He has pointed out
21 he does not know Mr. Altman's state of knowledge.

22 MR. BRAUNREUTHER: I asked about his concern with

1 respect to what was in the transcript. The witness can
2 certainly answer the question as to whether or not he had a
3 concern about whether the answer addressed the issue of
4 recusal without addressing whether Mr. Altman purposely did
5 it, forgot these meetings or anything else. I want to know
6 Mr. Sloan's state of mind after he reviewed the transcript
7 as to the accuracy.

8 BY MR. BRAUNREUTHER:

9 Q I believe you already testified, Mr. Sloan, that
10 you had certain concerns. I would like to get a complete
11 understanding of what your concerns were.

12 A Okay. I think my concerns were as I related
13 them. With respect to the issue of recusal, I related the
14 discussion that I had with Mr. Klein. That wasn't
15 something that I had firsthand knowledge of with respect to
16 the meeting. I was talking about it, just offering my
17 perspective without any direct knowledge. With respect to
18 the prior conversations, I guess felt more personally about
19 that because I had direct, firsthand knowledge of those
20 prior conversations. That's the best that I can do.

21 Q Aside from what you have already identified for
22 us, did you have any other particular areas of concern

1 arising out of your review of Mr. Altman's testimony when
2 you were at home on February 28?

3 A No, not that I recall.

4 Q What occurred the following day, if anything,
5 with respect to this matter?

6 A I went to talk to Mr. Nussbaum after the morning
7 staff meeting, after the morning counsel's office meeting.
8 I said to him that I knew that there -- had they had been
9 discussing a potential issue with respect to the discussion
10 of recusal in the testimony, but I wanted to raise an
11 additional issue as well.

12 I mentioned the prior conversations to him, and I
13 said that this was also a -- that I thought that this was
14 also a source of concern in terms of the accuracy or
15 completeness of the testimony. Mr. Nussbaum -- I had the
16 transcript with me I think with a Post-it on one or two
17 passages. And I pointed those out to him. He said that I
18 might have a point and that he asked me to leave the
19 transcript with him and he wanted to think about it.

20 Q Was this matter raised at all during the morning
21 staff meeting prior to your discussion with Mr. Nussbaum?

22 A No -- what is this matter?

1 Q The issue of the accuracy of Mr. Altman's
2 testimony.

3 A Not that I recall. I don't recall whether there
4 was any reference. I'm certain there wasn't a reference to
5 the prior conversations because I wasn't bringing that up
6 with Mr. Nussbaum for the first time after the morning
7 meeting.

8 Q Did you say anything else to Mr. Nussbaum in your
9 discussion with him following the staff meeting on Tuesday,
10 what I believe would be March 1?

11 A Not that I recall.

12 Q Did Mr. Nussbaum, aside from what you related,
13 did he have any further response?

14 A Not that I recall.

15 Q Was it your impression this was the first time
16 this issue had been flagged for Mr. Nussbaum?

17 A Yes, that was my impression.

18 Q Did you have any sense that he had spoken with
19 Mr. Klein prior to this about Mr. Altman's testimony?

20 A About Mr. Altman's testimony or about the prior
21 conversations in September and October?

22 Q About the accuracy of Mr. Altman's testimony.

1 A As I mentioned, Mr. Klein had related to me that
2 he had discussed it with Mr. Nussbaum. I opened the
3 conversation with Mr. Nussbaum by saying I knew they had
4 been discussing the issue of accuracy or completeness with
5 respect to the recusal.

6 Q If I understand correctly, you were under the
7 impression that Mr. Nussbaum was already involved in the
8 process of addressing the accuracy of Mr. Altman's
9 testimony and you wanted to flag a potential additional
10 issue regarding earlier meetings; is that a fair statement?

11 A Yes, I think it is a fair statement.

12 Q Did anything occur subsequent to that regarding
13 the clarification of Mr. Altman's testimony?

14 A Regarding this issue of reviewing Mr. Altman's
15 testimony and considering its accuracy and completeness.
16 As I was leaving Mr. Nussbaum's office, I saw Mr. Klein and
17 talked to him briefly, told him I had talked to
18 Mr. Nussbaum about the matter. At that point Mr. Nussbaum
19 came into Mr. Klein's office and Mr. Klein said that he
20 thought that the recusal point was a real issue, or words
21 to that effect, and that he thought that Cliff's point was
22 a real issue, or words to that effect -- I forget his exact

1 words. Bernie kind of nodded and wanted to think about it
2 some more.

3 Q So at this point, there were two real issues that
4 needed to be addressed, the first being whether or not
5 Mr. Altman had testified completely with respect to
6 recusal, and the second issue being whether or not
7 Mr. Altman had testified completely regarding
8 Treasury-White House contacts?

9 A Whether the testimony was accurate and complete
10 with respect to those two subjects. And that's as it was
11 identified by Mr. Klein in that meeting.

12 Q Can you explain what you understood "real issue"
13 to mean?

14 A Again, I'm not sure that that is the exact
15 phrase. But that these were still concerns that still
16 needed to be thought through and addressed.

17 Q Was it that they needed to be thought through
18 more or that they had thought through them and it was now a
19 real issue which needed to be addressed?

20 A They needed to be thought through more and if
21 necessary, addressed.

22 Q Was there any procedure put in place to continue

1 this process and take whatever remedial action would be
2 required?

3 A There was not a procedure that was put in place.

4 Q Any plans?

5 A If you are talking about the meeting with
6 Mr. Klein and Mr. Nussbaum, there was not a specific plan
7 that I recall at that time. Mr. Klein had previously
8 indicated to me that people were going to sleep on it
9 Monday night, and this was Tuesday morning.

10 Q To the best of your recollection, was there any
11 agreement reached on how the matter would be handled going
12 forward?

13 A At what time?

14 Q Following your meeting with Mr. Nussbaum and
15 Mr. Klein wherein two issues, to use your terminology, two
16 "real issues" were identified.

17 A There was an agreement on that later in the day
18 in the meeting in Mr. Podesta's office that I alluded to
19 previously.

20 Q Prior to this encounter with Mr. Klein and
21 Mr. Nussbaum and before your afternoon meeting with
22 Mr. Podesta, did you have any discussions with anyone else

1 on this subject?

2 MR. ROMATOWSKI: You mean between the two?

3 BY MR. BRAUNREUTHER:

4 Q Between the two meetings.

5 A Not that I recall.

6 Q That brings us up to your meeting with
7 Mr. Podesta in the afternoon of March 1; correct?

8 A That's correct.

9 Q Based on your testimony, it seems you have not
10 had up until this point in time, the meeting with
11 Mr. Podesta, you have had no discussions with Mr. Eggleston
12 other than his initial report following the hearings on
13 February 24?

14 A That's correct. That initial report, you are
15 talking about the report in the counsel's office morning
16 meeting on the 25th?

17 Q Yes.

18 A That's correct, to the best of my recollection,
19 that's correct.

20 Q What occurred during this meeting in
21 Mr. Podesta's office on the afternoon of March 1?

22 A Well, I got a message to come to Mr. Podesta's

1 office, and Mr. Klein, Mr. Nussbaum and Mr. Eggleston and
2 Mr. Podesta were there, and soon after I got there
3 Mr. Nussbaum went and got Bruce Lindsey and Bruce Lindsey
4 was there. I was asked to describe what I recalled about
5 the prior conversations in September and October and to
6 explain any concerns that I had with respect to
7 Mr. Altman's testimony.

8 Q How long did this meeting last in Mr. Podesta's
9 office?

10 A It is difficult to gauge. An extremely rough
11 estimate might be 30 minutes or something like that. But I
12 don't have a clear sense of how long it was.

13 Q Did you relate everything that you could recall
14 regarding your own contacts with Treasury officials?

15 A Yes, I did.

16 Q Do you recall what anyone else said at the
17 meeting after you related these facts?

18 A Well, there was some general discussion both
19 about the conversations and about what to do with respect
20 to Mr. Altman's testimony. The upshot of it, there was
21 eventually agreement that the best course of action was
22 that Mr. Podesta should call Mr. Altman and mention that

1 people at the White House remembered some prior
2 conversations before the February 2 meeting.

3 (Pause.)

4 BY MR. BRAUNREUTHER:

5 Q I believe you were testifying it was Mr. Podesta
6 who was designated the individual to contact Mr. Altman?

7 A Yes. Mr. Podesta was to mention to Mr. Altman
8 that other people at the White House remember prior
9 conversations and the implication was Mr. Altman would take
10 whatever appropriate actions in light of that reminder.

11 Q Was it agreed during this discussion that
12 Mr. Podesta should give Mr. Altman instructions to correct
13 his testimony?

14 A I don't recall that. I think that Mr. Podesta
15 was just going to mention to Mr. Altman that other people
16 at the White House recalled the prior conversations.

17 Q Do you recall why it was Mr. Podesta was
18 designated to have this further contact with Mr. Altman?

19 A I don't recall why it was Mr. Podesta in
20 particular, no.

21 Q At this point in time, the meeting on March 1 at
22 Mr. Podesta's office, had anyone been in contact with

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1 Mr. Altman, to your knowledge, regarding the accuracy of
2 his testimony?

3 A Not to my knowledge.

4 Q Did anybody at the meeting when this matter was
5 under discussion offer or proffer a justification by
6 Mr. Altman? That was a bad question.

7 Did anybody during the meeting indicate that
8 Mr. Altman had sought to indicate why he believed his
9 testimony had been accurate?

10 A In what respect?

11 Q Well, I take it that under discussion was the
12 accuracy of Mr. Altman's testimony; right?

13 A Yes.

14 Q There was a plan put in place that Mr. Podesta
15 should reach out to Mr. Altman and tell him about the
16 concerns that were under discussion?

17 A At least that Mr. Podesta would tell him that
18 people in the White House recalled prior conversations. It
19 may have also been part of that that Mr. Podesta was going
20 to mention the recusal issue. I'm not sure whether that
21 was part of what Mr. Podesta was going to mention or not.

22 Q Was there any mention during this meeting in

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1 Mr. Podesta's office that the White House involvement in
2 the recusal issue was a sensitive matter?

3 A I don't recall that being discussed in
4 Mr. Podesta's office.

5 Q Was there any mention that further disclosure
6 that the White House-Treasury contacts had entailed
7 disclosure of recusal would have further implications?

8 A I'm sorry. I didn't get the question.

9 Q Was there any mention during the afternoon
10 discussion in Mr. Podesta's office by anyone that to
11 correct the record with respect to recusal would have
12 further implications either through the press or with the
13 Senate?

14 A I don't recall that being discussed. What I
15 recall being discussed was the accuracy of the testimony
16 and the completeness of the testimony and whether it was
17 necessary or advisable to take any further steps. I
18 remember discussion -- that was the framework of the
19 discussion.

20 I don't remember if there were incidental
21 references along those lines. That's the framework of the
22 discussion as I recall it.

1 Q Were there any discussions whatsoever that you
2 can recall at that meeting where anyone expressed the view
3 that to disclose the White House involvement in recusal
4 discussions could be a problem?

5 A No. I don't recall anybody discussing that.

6 Q Were there any discussions where the pros and
7 cons -- withdrawn.

8 What else, if anything, did anybody else say
9 during the course of that meeting?

10 A Well, as I indicated, there was some back and
11 forth on different points about what was the best method
12 and also what the events were from the prior
13 September-October. I remember at one point, for example,
14 Mr. Nussbaum raised as a possibility, something to think
15 about whether -- I believe that Mr. Altman was scheduled to
16 testify in the House a few weeks down the road and whether
17 this was something that Mr. Altman could correct in his
18 subsequent House testimony. There was some discussion
19 about whether that was a way that the matter could be
20 addressed.

21 As I say, there was some back and forth in terms
22 of options like that and it was ultimately decided that the

1 best and most straightforward way to handle it would be to
2 have Mr. Podesta just call Mr. Altman and mention what I
3 mentioned previously.

4 Q Did anybody express a view that this could be a
5 problem in the press if further disclosures about these
6 contacts were made?

7 A I don't remember that being expressed
8 specifically. One point I should make is that at some
9 point during the meeting, Mr. Podesta was called out of the
10 meeting and he came back and reported that Ann Devroy of
11 The Washington Post was working on a story about what we
12 now know as the October 14 meeting. I had been describing
13 the different conversations which included that. John got
14 called out of the meeting and came back and reported she
15 was working on a story with respect to the October 14
16 meeting.

17 Q Do you recall anything more about the afternoon
18 meeting on March 4 in Mr. Podesta's office?

19 A As I say, I remember there was back and forth on
20 different issues with respect to different options and with
21 respect to recollections of the events. But the upshot of
22 the meeting, the outcome of the meeting is as I have

1 described.

2 Q What I would like you to do if you would, since
3 we are running late, is for you to describe in your own
4 words everything you can recall about that afternoon
5 meeting in Mr. Podesta's office, including the back and
6 forth, the -- and the positions taken by the various
7 participants to the meeting.

8 A I will try to do that the best I can. It is
9 difficult because there is a little bit of a long
10 discussion that I don't have any detailed recollection of.
11 With respect to the options, I think that as I mentioned,
12 Mr. Nussbaum raised the possibility of Mr. Altman raising
13 the issue in his House testimony. There was also some
14 discussion about whether Mr. Podesta would be -- whether --
15 who should make the phone call. As I was indicating, I
16 don't remember why it was determined to be Mr. Podesta. I
17 think there was some discussion about that.

18 It was ultimately decided that Mr. Podesta should
19 make the telephone call to Mr. Altman. There was some
20 discussion about the extent to which action was necessary
21 in light of the transcript and the information that we had,
22 and it was ultimately concluded that it was advisable to

1 take the course of action that I suggested.

2 I remember when I related some of my
3 recollections of the late September and early October
4 meetings, I think that Mr. Nussbaum and Mr. Lindsey did not
5 recall some of the things that I said. I think what I
6 said -- I don't remember exactly how I said it, but it was
7 my impression that the distinction about the Clintons as
8 potential subjects and the '85 and '84 campaign as a
9 potential subject. I think they both didn't recall a
10 reference like that from those discussions.

11 So I remember that difference in recollection at
12 that time. I remember at one point Mr. Lindsey got the
13 memo that you showed me previously from, I believe it was
14 October 20, and people looked at it. It was the first time
15 I was aware of that memo. I looked at it very briefly.
16 There was a little bit of discussion about the memo. But I
17 don't remember the particulars of that discussion.

18 This is a little bit rambling because you asked
19 me for anything I recall from the meeting. That was kind
20 of the nature of the meeting in Mr. Podesta's office at
21 that time.

22 So, I remember those things while everybody was

1 there. When Ms. -- after Podesta got the word that Ann
2 Devroy was working on a story with respect to the October
3 14 meeting, it broke up to some extent. I was in
4 Mr. Podesta's office and there might have been one or two
5 other people still in Mr. Podesta's office. He had left
6 for a while and he came back. He asked me something, he
7 said something like, well, was it legal, was it legal, the
8 conversations, referring, I took it, to the conversations
9 in late September, early October. I didn't know the
10 context in which he was asking and whether he was asking
11 for purposes of kind of giving a statement to the press.

12 So for various reasons I didn't give him some
13 quick answer right then. I didn't think I was in a
14 position to give him some statement from the counsel's
15 office if it was going to be used with the press. So I
16 said I will get back to you or something like that. As I
17 say, I didn't think that I was in a position to give some
18 quick answer that might be used directly as a public
19 statement.

20 Those are the things as best I can recall, going
21 through the subjects in my head, those are the things I
22 recall from the discussion in Mr. Podesta's office that

1 afternoon.

2 Q Did anyone, during the course of discussion,
3 suggest that the fact that the earlier meetings pertained
4 to criminal referrals could be a problem?

5 A I don't recall that being expressed as such.

6 Q So to your recollection, there was no concern
7 that the early discussions pertained to criminal
8 referrals?

9 MR. ROMATOWSKI: He didn't say there was no
10 concern.

11 BY MR. BRAUNREUTHER:

12 Q Was there any concern?

13 MR. ROMATOWSKI: He told you what was expressed.
14 He doesn't recall what was expressed.

15 BY MR. BRAUNREUTHER:

16 Q What was the concern?

17 A I don't recall beyond what I expressed.

18 Q Was there a concern expressed in the meeting
19 regarding the fact that these early discussions pertained
20 to criminal referrals?

21 A I don't recall a concern being expressed as such
22 that these earlier discussions pertained to criminal

1 referrals.

2 Q With respect to Mr. Podesta, had a decision been
3 made that Altman should be contacted before Mr. Podesta
4 arrived at the meeting or it was during the period that he
5 was at the meeting?

6 A Mr. Podesta was at the meeting throughout except
7 when he left briefly. The determination was made when he
8 was at the meeting.

9 Q Was a determination made as to who should be the
10 contact person to Mr. Altman?

11 A There was a brief discussion of that, as I
12 indicated.

13 Q Was there any reason Mr. Podesta was designated
14 with the task?

15 MR. ROMATOWSKI: He has testified already on
16 that. We will have to move through this to complete it in
17 the schedule that is allowed here.

18 BY MR. BRAUNREUTHER:

19 Q Why don't you give me an overview of the contacts
20 that you had with others subsequent to this meeting with
21 Mr. Podesta regarding these matters.

22 MR. ROMATOWSKI: We are going to have to do

1 better at refining this. Contacts he had with others
2 "regarding these matters." I appreciate the effort to
3 telescope this. I think we have to focus this a little
4 more closely.

5 MR. BRAUNREUTHER: I will accept that. My goal
6 right now is not to call the witness back. I can go
7 through this in excruciating detail. I would rather not to
8 do that for everybody's interest.

9 BY MR. BRAUNREUTHER:

10 Q What I would like you to do, if you can, is to
11 focus on the period after February 24 when apparently there
12 were ongoing discussions about the need to correct
13 Mr. Altman's testimony or amplify in some manner. I would
14 like you to give me an overview of the number of meetings
15 which occurred subsequent to March 1 so that we can get a
16 sense of how much material there is to cover. Can you do
17 that?

18 A Sure. There were a couple of follow-up
19 conversations on Tuesday, March 1, and then after Tuesday,
20 March 1, the rest of the week is basically just follow-up
21 on these matters in terms of the White House ultimately
22 informed Ann Devroy of the initial conversation between

1 with Ms. Hanson and Mr. Nussbaum, the September 29
2 conversation. Then there was consideration and discussion
3 in the White House about going forward in terms of a
4 revised memo or new memo on contacts with respect to
5 Madison-related matters and the new procedure being put in
6 place.

7 Really, after Tuesday, the only discussions that
8 I'm privy to are those kinds of going forward
9 conversations, both about that revised memo or the issuance
10 of that memo as well as the release to the press about the
11 earlier meeting.

12 Then the article was on Thursday of that week,
13 the article in The Washington Post. After that it was
14 basically reacting to the article and then the grand jury
15 subpoenas were received on the end of the day on Friday.

16 So the rest of the week after that Tuesday is a
17 largely kind of prospective approach that I described.

18 Q Let me show you document Y16. Is that the memo
19 you are referring to?

20 A Yes, it is.

21 Q The date of that memo is March 3; is that right?

22 A That's what it says on the document.

1 Q Is that consistent with your understanding of
2 when the memo was issued?

3 A Yes. One thing -- maybe I should just let you go
4 ahead.

5 Q Were there any additional meetings after the
6 Podesta afternoon meeting where everyone was gathered to
7 discuss the facts as they could recollect them regarding
8 White House-Treasury contacts?

9 A I don't know if that is exactly how I would
10 characterize the meeting in Mr. Podesta's office. In terms
11 of kind of meetings later with respect to this and what
12 should be done about Altman's testimony, the only other
13 meetings that I attended, there was a relatively brief
14 meeting later that day in Joel Klein's office with Joel
15 Klein, Bernie Nussbaum, Mark Gearan. I don't recall if
16 John Podesta was there or not. We were going over some of
17 the conversations. Mr. Gearan had not been present in
18 Mr. Podesta's office. Part of the purpose of that
19 conversation was my relating it to Mr. Gearan.

20 In that meeting I was also advised that
21 Mr. Podesta had either at that meeting or shortly after
22 that, I was told that Mr. Podesta had in fact called

1 Mr. Altman and had --

2 Q It is clear we are still talking about March 1
3 now?

4 A Yes. We are still talking about March 1.

5 Mr. Podesta had called Mr. Altman and had started
6 to mention that other people in the White House or people
7 in the White House recalled prior conversations.
8 Mr. Altman stated that he didn't recall that, or something
9 like that. But those are the meetings with a number of
10 people that I recall on Tuesday, March 1. After that time,
11 in terms of trying to reconstruct what had occurred in late
12 September or early October and compare that to Mr. Altman's
13 testimony, I don't recall such discussions later in the
14 week.

15 Q Was there a point in time when all these
16 discussions came to a complete end?

17 A Well, I guess all I can tell you about is the
18 discussions that I was part of after Tuesday, as I
19 indicated, and it was mostly looking forward in terms of
20 the press and in terms of the revised contacts memo. I
21 think I had another brief conversation relating what I
22 understood in connection with the call to the press about

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1 the prior conversations. Tuesday was the day of kind of
2 long extended meetings on what had occurred and
3 Mr. Altman's testimony as opposed to the kind of
4 prospective matters I was discussing.

5 Q During this week of February 28 to I guess March
6 4, do you recall any discussions regarding the recusal
7 issue and specifically what involvement the White House had
8 in Mr. Altman's decision to recuse himself?

9 A What I recall about the recusal issue is what I
10 discussed before about whether recusal was encompassed
11 within Mr. Altman's answer or not, procedure issues. I
12 remember discussions about that. But that is really --

13 Q Aside from that fact, did anyone raise the
14 prospect that the White House involvement in these
15 discussions would be perceived as though the White House
16 had influenced Mr. Altman's decision to recuse himself?

17 A Nothing other than anything that we previously
18 discussed. I don't recall anything other than that.

19 Q During this period we are discussing, do you
20 recall anyone expressing a concern that the White House
21 should not have been involved in discussing recusal with
22 Mr. Altman on a matter that could potentially affect the

1 President or First Lady?

2 A I don't remember, I don't recall a kind of
3 specific discussion along those lines. I think that there
4 was a general awareness. As I was mentioning, there had
5 been this New York Times story which focused generally on
6 the meetings. There was clearly a great deal of press
7 interest in the meeting generally. But I don't recall a
8 discussion along those lines.

9 Q Did anybody during this period express or invoke
10 the President or the First Lady's name as to their views on
11 this issue, on any of the issues being discussed?

12 A On which issues?

13 Q Did you recall the President or the First Lady's
14 name being invoked in any of these discussions you had with
15 respect to Mr. Altman's testimony and the follow-up to
16 determine the actual number of Treasury-White House
17 contacts?

18 A I remember the President's name being invoked
19 generally, that he was concerned about how the matter was
20 being handled generally by the White House. I remember a
21 reference to that.

22 Q Can you explain that in any greater detail?

1 A I believe Joel Klein mentioned he had a
2 discussion with the President and with a couple of other
3 people present and that the President had expressed concern
4 generally about how the matter was being handled and wanted
5 improvements in the way that the matter was being handled.

6 Q Do you have any further understanding of what was
7 the particular concern the President had expressed to
8 Mr. Klein?

9 A I don't have any additional details other than I
10 think he wanted Mr. Klein to participate in thinking on a
11 going-forward basis about how to improve the White House's
12 handling of this matter.

13 Q Was there any mention that the First Lady had
14 taken an interest in the handling of this matter?

15 A Not that I recall.

16 Q Let me show you some notes on Document 878
17 through X888 which contain some handwritten notes dated
18 March 3, 1994. I want to ask you whether or not you
19 recognize the handwriting on that document, those
20 documents.

21 A No, I don't recognize the handwriting.

22 Q Do you recall participating in a meeting on

1 approximately March 3 where details of the White
2 House-Treasury contacts were discussed?

3 A March 3? That would have been Thursday.

4 Q Could you take a look at the documents I put
5 before you. I want to ask you whether or not you have any
6 recollection of -- first, whether you can recognize the
7 handwriting, because I believe you said you cannot, and
8 secondly, whether that refreshes your recollection whether
9 or not there was a meeting where this issue was discussed
10 in any greater detail than what you already described?

11 A I lost the thread of your question. Could you
12 repeat your question.

13 Q My question goes to, I would like to find out
14 whether you have any knowledge about what contacts those
15 notes might have been prepared and by whom they might have
16 been prepared. They would appear on their face to indicate
17 a discussion which occurred on March 3 where these issues
18 were reviewed with a number of people. I believe your name
19 is mentioned in a number of the entries. Frankly, my
20 interest is in determining whose notes they were and
21 whether or not they reflect a broader reading where these
22 items were discussed.

1 (Witness examined the document.)

2 A Just these two pages?

3 Q Yes. You are looking at X884 and 885.

4 A Right.

5 Q With respect to those two pages.

6 A I am not in a position to say whose notes those
7 are. I don't remember being part of a discussion on March
8 3 that would have related to that. I guess the only thing
9 that I can -- I think on March 3 -- March 3 is Thursday; is
10 that correct?

11 Q Yes.

12 A That would have been the morning of The
13 Washington Post story. The only thing that I can recall is
14 that I think I had a conversation with Dee Dee Myers on
15 that day where Dee Dee was getting various questions from
16 in light of the story and as is common, Dee Dee was calling
17 people for information on different sources. But I have no
18 idea whether that is related to that or not. But in answer
19 to your question about what do I recall on Thursday,
20 March 3 about reconstructing the facts, that's the only
21 thing that comes to mind.

22 Q One of the entries which appears on 885 is the

1 following "John, Neal, Cliff, et cetera met to review
2 Roger's testimony and make sure we are accurate. John P.
3 then talked to Roger, told him he had misspoken -- could be
4 misleading."

5 Is that an accurate summary of what did occur at
6 that time?

7 A I have previously related what I was told about
8 Mr. Podesta's conversation with Mr. Altman and it is
9 somewhat different from that. I am not in a position to
10 challenge that. What I recall being told was just that
11 Mr. Podesta called Mr. Altman and mentioned other people in
12 the White House recalled prior conversations and that
13 Mr. Altman said he didn't know anything about that.

14 Q Were you interviewed by Ms. Myers -- I don't know
15 if "interview" is the proper word.

16 Were you questioned by Ms. Myers to give your
17 recollection of the events at that time?

18 A As I indicated, I remember having a telephone
19 conversation with Dee Dee Myers on Thursday, March 3 in
20 which I gave her my recollection of events.

21 Q There is an entry on the first page, X884, which
22 reads "WH officials" which I assume means White House

1 officials "later recall Roger raised issue of whether or
2 not he should recuse. White House officials say they
3 advised him to look at the legal ethical obligations and
4 make decision. If there is no legal ethical obligation,
5 don't" and I believe an exclamation point and close
6 parenthesis.

7 Do you have any recollection as to whether or not
8 there was such a suggestion to Mr. -- do you have any
9 recollection discussing this matter with others during this
10 time frame?

11 A What is "this matter"?

12 Q Do you recall whether you discussed this matter,
13 "this matter" being the recusal issue and in the passage I
14 just read to you, with Ms. Myers?

15 A I don't recall discussing the recusal issue with
16 Ms. Myers.

17 Q Do you recall whether anyone else discussed it
18 with Ms. Myers, to your knowledge?

19 A I was not privy to her conversations with other
20 people.

21 Q Do you have any knowledge as to whether or not
22 there was in fact a subtext, as it is called here, that if

1 there was no legal obligation to recuse, then Mr. Altman
2 should not?

3 A I was not aware of that with respect to
4 Mr. Altman directly that I recall. I am aware of that
5 general point and that generally being the view that
6 Mr. Nussbaum had about government officials, that if there
7 wasn't a well-founded reason to recuse a government
8 official should not recuse because a government official is
9 in an important position and unless there is a well-founded
10 reason to recuse, the government official should be
11 exercising the duties of the government office. I remember
12 that as a general matter rather than specifically in
13 connection with Mr. Altman.

14 Q Do you recall Mr. Nussbaum ever expressing any
15 view with respect to Mr. Altman along the lines you have
16 just described?

17 A Not that I recall.

18 Q Do you recall Mr. Nussbaum ever discussing the
19 issue of Mr. Altman's recusal?

20 A Nothing other than what we previously discussed.

21 MR. BRAUNREUTHER: It is almost a quarter to
22 2:00. We have to conclude. You have to move on to the

1 House; is that right?

2 MR. ROMATOWSKI: That's correct.

3 MR. BRAUNREUTHER: Off the record.

4 (Discussion off the record.)

5 MR. BRAUNREUTHER: Let the record reflect that it
6 is now 1:45 and it is necessary to conclude both because we
7 have additional depositions to conduct and because there is
8 a commitment by Mr. Sloan to appear, I believe, before the
9 House to answer additional questions with respect to this
10 matter. And it is not possible to go forward. We are
11 reserving our right to continue the questioning at a later
12 time. I understand that Mr. Sloan's counsel would have an
13 objection to that. Hopefully we can resolve this without
14 the need for further questioning and will endeavor to do
15 that. With that I would suggest we close the record,
16 subject to any remarks Mr. Sloan's counsel may have.

17 MR. ROMATOWSKI: Let me just say, we don't have
18 objection to further questions per se. I just point out
19 that Mr. Sloan, not to mention his counsel, has been put
20 through extraordinary lengths to meet a schedule first
21 arranged by others, no one in this room, by others in the
22 Senate staff and changed and dictated to us. We will need

1 better notice and some flexibility as to timing if there is
2 a need for him to return. I am confident that things will
3 improve in that regard and we can await the occasion before
4 we discuss that further. Thanks.

5 (Whereupon, at 1:45 p.m., the deposition was
6 concluded.)

7

8

9

CLIFFORD M. SLOAN

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CERTIFICATE OF NOTARY PUBLIC & REPORTER

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I, BRENDA M. SMONSKEY, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn; that the testimony of said witness was taken in shorthand and thereafter reduced to typewriting by me or under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and, further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.


Notary Public in and for the
District of Columbia

My Commission Expires APRIL 14, 1996

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BY HAND DELIVERY

Douglas Epstein, Esq.
Majority Counsel
Committee on Banking, Housing
and Urban Affairs
United States Senate
Washington, DC 20510-6075

Dear Mr. Epstein:

This is to confirm our telephone conversation earlier today concerning redaction of a document related to Clifford M. Sloan. You indicated that the Committee intends to redact information of a personal nature in documents which are to be made public by the Committee. As I indicated during our conversation, we are requesting that Mr. Sloan's home phone number be redacted from the copy of his home telephone bill appearing at Bates No. X1043 and referenced in his deposition at page 78.

Thank you for your cooperation.

Sincerely,


Stephen M. Byers

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BY HAND DELIVERY

Douglas Epstein, Esq.
Majority Counsel
Committee on Banking, Housing
and Urban Affairs
United States Senate
Washington, DC 20510-6075

Dear Mr. Epstein:

In response to your request, please find enclosed an errata sheet for the transcript of the deposition of Clifford M. Sloan, taken on July 21, 1994. Please contact me if you have any questions concerning these changes.

Sincerely,


Stephen M. Byers

Enclosure

cc: Peter J. Romatowski, Esq.

September 13, 1994

ERRATA SHEET

**Deposition of Clifford M. Sloan
before the
United States Senate
Committee on Banking, Housing and Urban Affairs**

July 21, 1994

- Page 8, line 20: Change "Stephens" to "Stevens".
- Page 8, line 22: Change "in" to "and" and capitalize "Century Fund".
- Page 27, line 2: Change "these" to "there".
- Page 28, line 1: Insert "all" after "we".
- Page 28, line 3: Insert "compared to" after "way".
- Page 38, line 1: Change "Mr." to "Ms."
- Page 40, line 13 etc.: Change "Neal" Eggleston to "Neil" throughout.
- Page 41, line 5: Change "having" to "had".
- Page 41 line 12: Change "have" to "had".
- Page 43, line 21: Change "function" to "functions".
- Page 51, line 3: Change "Roelle" to "Roulet [sic]".
- Page 51, line 10: Change "refers" to "referrals".
- Page 54, line 7: Delete the comma between "outset" and "was".
- Page 60, line 15: Change "Katsanos" to "Coutzalton [sic]".
- Page 72, line 18: Change "we should suggest" to "we should check".

Page 84, line 5: Insert "a" between "in" and "view".

Page 100, line 7: Change "having vague reference to" to "have a vague recollection of".

Page 106, line 7: Change "20th" to "28th".

Page 107, line 15: Change "reference" to "recollection".

Page 113, line 17: Change "of" to "at".

Page 115, line 9: Change "meeting" to "hearing".

Page 115, line 10: Change "meeting" to "hearing".

Page 125, line 6: Insert "into" between "went" and "with".

Page 130, line 11: Change "beginning" to "going".

Page 133, line 8: Change "its" to "this".

Page 136, line 20: Insert "as" before "part of this conversation".

Page 138, line 18: Delete "was".

Page 139, line 15: Insert "what" between "recollection" and "I".

Page 141, line 7: Change "we were" to "I was".

Page 144, lines 7-8: "I don't have to tell you about it" is a misquotation.

Page 148, line 18: Insert "I" between "guess" and "felt".

Page 149, line 8: Move the punctuation so that the sentence reads, " . . . I knew that there had -- they had been . . ."

Page 150, line 5: Change "wasn't" to "was".

Page 160, line 18: Change "March 4" to "March 1".

Page 162, line 8: Change "subjects" to "witnesses".

Page 162, line 8: Change "'85 and '84" to "'85 or '84".

Page 164, line 14: Change "what" to "that".

Page 167, line 15: Change "on the end of the day" to "at the end of the day".

Page 174, line 15: Add "the press" after "from".

Page 174, line 17: Change "sources" to "subjects".

**DEPOSITION OF LISA CAPUTO
IN RE: S. RES. 229**

FRIDAY, JULY 22, 1994

**U.S. SENATE,
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
Washington, DC.**

Deposition of LISA CAPUTO, called for examination pursuant to notice of deposition, at 9:10 a.m. in Room SC-06 of the Capitol, before BRENDA M. SMONSKEY, a Notary Public within and for the District of Columbia, when were present:

**NEAL E. KRAVITZ, Esq.
Majority Deputy Special Counsel
DOUGLAS EPSTEIN, Esq.
Majority Counsel
JOSEPH G. BRAUNREUTHER, Esq.
Minority Deputy Special Counsel
RAYMOND NATTER, Esq.
Republican General Counsel
Committee on Banking, Housing, and Urban Affairs
U.S. Senate
On behalf of the Committee.**

**WILLIAM W. TAYLOR, III, Esq.
Zuckerman, Spaeder, Goldstein, Taylor & Koelker
1201 Connecticut Avenue, NW
Washington, DC 20036
On behalf of the Deponent.**

ALSO PRESENT: GILA ZAWADZKI

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WITNESS	EXAMINATION
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Lisa Caputo	IDENTIFIED
DEPOSITION NUMBER	
Exhibit 1 (S. RES. 229)	3, 155

1 PROCEEDINGS

2 Whereupon,

3 LISA CAPUTO

4 was called as a witness and, having first been duly sworn,
5 was examined and testified as follows:

6 (Caputo Exhibit 1 identified.)

7 EXAMINATION

8 BY MR. KRAVITZ:

9 Q Good morning. Please state your full name for
10 the record.

11 A Lisa Caputo.

12 Q Ms. Caputo, where are you employed?

13 A The White House.

14 Q What is your position there?

15 A Deputy assistant to the President. And press
16 secretary to the First Lady.

17 Q How long have you held that position?

18 A Since January of 1993.

19 Q What are your duties and responsibilities in that
20 position?21 A I am responsible for running the First Lady's
22 media operation and serving as her principal spokesperson.

4

1 Q Did you also say that part of your title was
2 deputy assistant to the President?

3 A Yes.

4 Q Do you have any responsibilities specifically
5 related to being deputy assistant to the President separate
6 and apart from your duties in the First Lady's office?7 A It is a commissioned title. Ultimately we all
8 serve the president.

9 Q Who do you report to?

10 A Maggie Williams, the First Lady's chief of staff
11 and the First Lady.

12 Q Does anyone report directly to you?

13 A Yes.

14 Q Who is that?

15 A I have two deputy press secretaries, one Karen
16 Finney, one Neal Lattimore.17 Q Did there come a time in the fall of 1993 that
18 you had any communications with an official from the
19 Resolution Trust Corporation relating to Madison Guaranty
20 Savings & Loan and/or the Whitewater Development
21 Corporation?

22 A Yes.

1 Q When was that?

2 A I recall receiving a telephone call in November
3 of 1993.

4 Q Who was that call from?

5 A Someone at the RTC.

6 Q Do you know the person's name?

7 A I don't recall the name.

8 Q Was it a man or a woman?

9 A It was a man.

10 Q What was the person's position at the RTC?

11 A I don't know.

12 Q Do you know what part of the RTC the person was
13 employed in?

14 A I don't know because I don't recall the name of
15 the person who called.

16 Q Tell us everything that you can remember about
17 the communication that you had with this person.

18 A I recall receiving a phone call from a male at
19 the RTC. I returned the phone call. The phone call was
20 very brief. He said that there were several reporters
21 working on Whitewater stories, and I remember him saying
22 NBC is doing something and ABC wants a piece of it, and

1 that was the extent of the conversation that I remember.

2 Q You mention that you returned a telephone call.
3 Does that mean that you received a message that the person
4 called?

5 A I remember receiving a message, yes.

6 Q Would that have been a written phone message?

7 A Yes.

8 Q Do you know of whether that message still exists?

9 A I searched for it and could not find it.

10 Q Have you told us everything that you can remember
11 about the telephone conversation that you had with this man
12 in November 1993?

13 A Yes.

14 Q Did you speak with Joel Klein of the White House
15 counsel's office on March 8, 1994 regarding the telephone
16 conversation you had with this man from the RTC in November
17 1993?

18 A March 8? I don't recall.

19 Q I'm going to show you what has been marked as
20 Exhibit X000471, which I believe are notes that Mr. Klein
21 made on March 8, 1994. I ask you if that refreshes your
22 memory as to whether you spoke with Mr. Klein on that

1 date.

2 (Witness examined the document.)

3 A It could be. It could be.

4 Q Do you remember speaking with Mr. Klein at some
5 point in early March 1994?

6 A Yes. The only thing that this could be as far as
7 my recollection goes is that a reporter from The Washington
8 Post contacted me and asked me if I had received a briefing
9 from the RTC and informed me that my name was surfacing in
10 phone logs. Then that's probably when I had the
11 conversation with Joel Klein. That would have been around
12 March 8, because a subsequent Washington Post story ran
13 where I was listed in the story as having a contact with
14 the RTC.

15 Q Let me ask you just to take a look at that
16 exhibit, X471. Just read it to yourself and tell me
17 whether looking at that exhibit refreshes your memory as to
18 anything else that may have occurred during your
19 conversation with the man from the RTC in November 1993.

20 (Witness examined the document.)

21 A You know, the line here "some woman from Treas,"
22 I don't know what that refers to, I just can't remember.

1 Q Just so the record is clear, the testimony that
2 you just gave about what you think this reference on this
3 document to Sue Schmidt refers to, is it your testimony
4 that the Sue Schmidt reference has nothing to do with your
5 telephone conversation in November 1993 with the RTC
6 person?

7 A Sue Schmidt could have been a reporter that the
8 RTC official named. She is a reporter for The Washington
9 Post. It could have been. I just simply don't have a very
10 good recollection of the phone call.

11 Q Did you take any notes of your own during that
12 telephone conversation?

13 A No, I did not.

14 Q Did you understand what the purpose of the person
15 at the RTC was in contacting you in November 1993? Did he
16 say why he was calling you?

17 A I can't recall really. I just assumed that he
18 was a press person at the RTC.

19 Q Did the man at the RTC ask you to do anything?

20 A No.

21 Q Did the man at the RTC tell you whether he
22 intended to do anything further with this information?

1 A Not that I recall.

2 Q Did he tell you whether he intended to pass this
3 information along to anyone else?

4 A Not that I recall.

5 Q What did you do, if anything, after this
6 telephone conversation with the man from RTC related to the
7 content of the conversation?

8 A I don't recall doing anything.

9 Q Did you talk to anyone at the White House about
10 the telephone conversation you had with the man at the RTC?

11 A Not that I recall.

12 Q Did you report it to Maggie Williams?

13 A I don't believe so.

14 Q Did you report it to Mrs. Clinton?

15 A No.

16 Q Did you report it to anyone in the White House
17 communications department?

18 A It is possible, but I doubt it. I just don't
19 remember.

20 Q At the bottom of this page of notes that I think
21 are Mr. Klein's notes, it says "no contacts re:
22 criminal."

10

1 Do you have any idea what that refers to?

2 A I think it would have been the reporter who had
3 called me and asked me if I had requested a briefing from
4 the RTC on criminal referrals, and I told her I had not.

5 Q Tell us about that conversation. When did this
6 reporter call you?

7 A March.

8 Q 1994?

9 A Yes.

10 Q And who was that reporter?

11 A Ann Devroy from The Washington Post.

12 Q She asked you what?

13 A She asked me if I received a briefing from the
14 RTC on criminal referrals.

15 Q Your response was?

16 A No.

17 Q Have you ever had any conversations with anyone
18 at the RTC relating to criminal referrals in the Madison
19 Guaranty matter?

20 A No.

21 Q What did Ms. Devroy explain was the reason why
22 she was calling to ask you that question?

11

1 A She said my name had surfaced because there were
2 phone logs floating around.

3 Q Did she say that those phone logs were at the
4 RTC?

5 A She didn't say.

6 Q Do you have any idea where these phone logs might
7 be floating around, if that is in fact the case?

8 A No.

9 Q And your testimony is that you don't know what
10 the phrase "some woman from Treas" refers to?

11 A I just don't recall. As I said, I really don't.
12 I remember the conversation being brief and about reporters
13 working on Whitewater stories and that's about it. It was
14 a very short conversation.

15 Q Have you ever had any communications with anyone
16 from the Department of Treasury relating to the Madison
17 Guaranty Savings & Loan and/or the Whitewater Development
18 Corporation?

19 A Not that I recall.

20 Q Other than this one telephone conversation that
21 you had with this man at the RTC, have you had any
22 additional communications with anyone from the RTC relating

12

1 to Madison Guaranty Savings & Loan and/or the Whitewater
2 Development Corporation?

3 A No.

4 Q Have you been present while any other White House
5 officials have had communications either with the Treasury
6 Department or the RTC relating to Madison Guaranty
7 Savings & Loan and/or the Whitewater Development
8 Corporation?

9 A No.

10 Q Are you aware that there is at least alleged to
11 have been a meeting between Treasury and White House
12 officials relating to Whitewater or Madison on September
13 29, 1993?

14 A Yes.

15 Q You weren't present during that meeting, were
16 you?

17 A No, I was not.

18 Q Have you spoken to -- let me back up.

19 Do you know from any source who was alleged to
20 have been present during that meeting?

21 A Yes.

22 Q Who is that?

13

1 A What I read in the newspaper. If I remember
2 correctly, Mark Gearan, Maggie Williams, Bruce Lindsey. I
3 can't remember all the names in the paper.

4 Q Have you spoken to anyone whom you believe was
5 present during the September 19, 1993 meeting about what
6 was actually said at that meeting?

7 A No.

8 Q Are you aware that there is alleged to have been
9 a meeting between White House and Treasury Department
10 officials related to Madison and Whitewater on October 14,
11 1993?

12 A Yes.

13 Q Are you aware of who is alleged to have
14 participated in that meeting?

15 A Again, I read it in the paper.

16 Q Have you spoken to anyone who was present at the
17 October 14, 1993 meeting about what was said at the
18 meeting?

19 A No.

20 Q Are you aware that there is alleged to have been
21 a meeting between White House and Treasury Department
22 officials at the White House on February 2, 1994?

14

1 A Yes.

2 Q Are you aware who was alleged to have
3 participated in that meeting?

4 A Again, I read it in the paper.

5 Q Have you spoken with anyone who was present at
6 that meeting about what occurred?

7 A No.

8 Q Have you been present during any discussions
9 among White House officials about what occurred on February
10 2, 1994 during the meeting at the White House between White
11 House and Treasury officials?

12 A No.

13 Q Have you been present during discussions among
14 White House officials relating to what was said or what
15 occurred at either the September 29 or October 14, 1993
16 meetings at the White House between Treasury and White
17 House officials?

18 A No.

19 Q Have you ever either participated in or overheard
20 any conversation among White House staff related to the
21 subject of whether Roger Altman should recuse himself or
22 should have recused himself from RTC decisions relating to

1 Madison Guaranty Savings & Loan?

2 A No.

3 Q When did you first become aware, if you ever did,
4 that that was an issue of any interest to people at the
5 White House?

6 A It was in the paper.

7 Q That was the source of your awareness?

8 A Yes, as best as I remember.

9 Q When did you first become aware of that?

10 A I couldn't even remember. It is like a blur to
11 me. I just have no sense of time.

12 Q You never heard any conversation within the White
13 House on the subject of Mr. Altman's recusal?

14 A Not that I recall.

15 Q I'm going to show you three severely redacted
16 documents, courtesy of the White House document
17 production. The first document is Bates stamped X001121
18 through X001123. The second document is Bates stamped
19 X001124 through 001126. The third is Bates stamped X001127
20 through X001129.

21 I can tell you that according to the index that
22 we were provided by the White House when documents were

1 produced, these documents were located in your files.

2 I just ask you to take a look at them and tell
3 us, first of all, if you can identify them in their current
4 state.

5 (Witness examined the document.)

6 A These are portions of drafts of a synopsis of
7 Whitewater/Madison Guaranty matter events as compiled
8 through news accounts by Neal Eggleston, who is in the
9 White House counsel's office.

10 Q Were you a regular recipient of drafts of this
11 type?

12 A It really depended.

13 Q What did it depend on?

14 A More or less on whether they remember to give me
15 a copy or I asked for a copy.

16 Q Why would you ask for a copy of a draft memo
17 having to do with Whitewater and Madison?

18 A I did not know very much at all about the
19 Whitewater matter, and I guess I was given a copy because
20 it would help bring me up to speed on the news accounts of
21 what was transpiring in the press at that time.

22 Q Was it important to you to be somewhat informed

1 so that you could be better able to answer press inquiries?

2 A I really wasn't the spokesperson on the
3 Whitewater matter. It was more that I could just have a
4 little bit of an idea in case I got a general question from
5 a member of the press.

6 Q Were you ever instructed by Ms. Williams or
7 Mrs. Clinton to keep yourself up to date on the subject of
8 Madison or Whitewater?

9 A No.

10 Q Did you ever discuss any of these memos that are
11 sitting in front of you with either Ms. Williams or
12 Ms. Clinton?

13 A No.

14 Q Do you remember discussing any of these memos
15 with anyone within the White House?

16 A No. I remember getting a copy of it and putting
17 it in a file, more or less.

18 Q Did you ever discuss the Whitewater issues with
19 Mrs. Clinton?

20 A Yes.

21 Q When was that?

22 MR. TAYLOR: We are going to draw some lines on

1 scope. My understanding is that scope objections are
2 appropriate and are referred to the chairman in the event
3 that they are not resolved. We are not going to permit
4 questions on conversations which do not relate to
5 contacts.

6 MR. KRAVITZ: I think that is fair, but I think
7 at least at this point we don't know whether this
8 conversation relates to contacts.

9 MR. TAYLOR: Fair enough. You can ask if she had
10 a conversation with Mrs. Clinton about contacts.

11 MR. KRAVITZ: I'm not sure we have to limit
12 ourselves that strictly. Let's start by finding out when
13 the contact, when the conversation with Mrs. Clinton
14 occurred. When we know when that was, I think we might be
15 able to determine in a little bit more informed way of
16 whether it is related or potentially related to any of the
17 contacts that are otherwise in the record through other
18 witnesses.

19 MR. TAYLOR: All right.

20 BY MR. KRAVITZ:

21 Q When was it that you had a conversation or had
22 conversations with Mrs. Clinton on the subject of

1 Whitewater?

2 A What specifically regarding Whitewater?

3 Whitewater is a big issue. I mean, I have conversations
4 with Mrs. Clinton every day. I am her press secretary. I
5 have conversations with her on a wide variety of matters.
6 So it is -- would depend on what you deem a Whitewater
7 question.

8 Q Let me try to ask a slightly more specific
9 question. Did you ever have a conversation with
10 Mrs. Clinton relating to Roger Altman?

11 A No.

12 Q Or relating to Roger Altman's role at the RTC?

13 A No.

14 Q Did you ever overhear Mrs. Clinton have a
15 conversation with anyone else relating to Roger Altman or
16 Mr. Altman's role at the RTC?

17 A No.

18 Q Were you ever present when Mrs. Clinton was
19 discussing any issues related to the statute of limitations
20 within which the RTC might have to bring civil claims in
21 the Madison case?

22 A No.

1 Q Before February 25, 1994, did you ever have any
2 conversations with Mrs. Clinton or overhear any other
3 conversations that she may have had with anyone relating to
4 any specific officials at the RTC?

5 A No.

6 Q Do you know who Bernie Nussbaum was?

7 A Yes.

8 Q Did you ever have any conversations with
9 Mr. Nussbaum or overhear any conversations that he may have
10 had with anyone relating to specific officials at the RTC?

11 A No.

12 Q Were you ever aware of any conversations or
13 statements that anyone ever made within the White House
14 about specific officials at the RTC?

15 A No.

16 Q Does the name Ellen Kulka mean anything to you?

17 A It is a name I have seen in the paper, but I
18 don't know who she is or what she does.

19 Q Have you ever heard anyone at the White House
20 mention her name?

21 A No.

22 Q What about the name Jack Ryan? Does that mean

1 anything to you?

2 A No.

3 Q Were you aware of the existence of a response
4 team or some group that was identified within the White
5 House and put in charge or basically in charge of
6 responding to Whitewater-related issues?

7 A Yes.

8 Q Did you have any regular contact with the members
9 of that group?

10 A Yes.

11 Q On Whitewater issues?

12 A Yes.

13 Q During what period of time?

14 A January of '94 and then again in the spring
15 of '94.

16 Q Can you be more specific than the spring?

17 A April-May time frame, I guess.

18 Q Did any of -- did anything that you had to do
19 with this response team or group of people at the White
20 House that were at least nominally in charge of Whitewater
21 related issues have anything to do with communications
22 between White House staff and officials at the RTC or the

1 Treasury Department?

2 A No.

3 Q Were you involved in any way in the White House's
4 development of a plan to respond to criticisms relating
5 from Roger Altman's testimony before the Senate on February
6 24?

7 A No.

8 Q Did you follow the RTC oversight board hearings
9 on February 24, 1994 in your capacity as press secretary to
10 the First Lady?

11 A No, not really.

12 Q Do you remember receiving press inquiries about
13 that after the hearing?

14 A On the RTC oversight?

15 Q Right.

16 A No, I don't remember receiving any press
17 inquiries.

18 MR. KRAVITZ: I think that is all I have.

19 Thanks.

20 EXAMINATION

21 BY MR. BRAUNREUTHER:

22 Q Good morning, Ms. Caputo. My name is Joe

23

1 Braunreuther. I am deputy special counsel to the minority
2 members of the Banking Committee. I have just a few
3 questions for you. You will get out of here pretty quickly
4 and you will get back to what obviously are very important
5 responsibilities.

6 Mr. Kravitz used the term "response team" to
7 describe I guess an informal group at the White House which
8 was formed to respond to Whitewater inquiries. Is there
9 any better language for that team that you would use in a
10 nomenclature you are familiar with?

11 A I think it was a press strategy team, a media
12 strategy team.

13 Q You also used the term earlier, "spokesperson,"
14 when you were speaking about a spokesperson on I believe it
15 was with respect to the Treasury-White House matters.

16 A No. I think it may have been in reference to
17 Whitewater in general.

18 Q Who actually -- what is a spokesperson?

19 A A spokesperson is someone who speaks to the press
20 on particular issues and responds to press inquiries.

21 Q Is it the normal practice to have a particular
22 individual designated the spokesperson on high-profile

24

1 press issues?

2 A I think it depends on the issues.

3 Q Who was the spokesperson on the Whitewater
4 matters?

5 A Bruce Lindsey.

6 Q What are the responsibilities of a spokesperson?

7 A To answer inquiries from the press.

8 Q Is it also to inform themselves of the underlying
9 facts and circumstances so that they are in the best
10 position to answer those press inquiries?

11 A Yes.

12 Q Do you have a working understanding that
13 Mr. Lindsey did in fact monitor Whitewater-related matters
14 in order to be in a position to address press inquiries?

15 A I don't know how Mr. Lindsey kept apprised of
16 Whitewater matters other than that my understanding was he
17 was the person who had the most knowledge of the Whitewater
18 matter.

19 Q Was he a member of the response team that was
20 formed with respect to Whitewater matters?

21 A Yes.

22 Q When was that response team put together?

1 A January of '94.

2 Q What is, what were the circumstances, to the best
3 of your recollection, which led to the formation of a
4 response team with respect to Whitewater matters in January
5 of 1994?

6 A There was intense media attention to the
7 Whitewater matter, and I believe it became a very partisan
8 issue on Capitol Hill, and there were several members of
9 the Congress calling for a special counsel. The White
10 House thought that it needed to address the attention of
11 the media.

12 Q So is it fair to say that in January of 1994,
13 this became an issue of great significance to the White
14 House due to the intensity of the media coverage and the
15 pressure that was being exerted by the Congress?

16 A I think that it was something that people felt
17 needed to be paid attention to, just like other issues.

18 Q I assume that when there is an issue like
19 Whitewater, that the press fallout from something like this
20 which, if not properly handled, can affect the legislative
21 agenda of the presidency?

22 MR. TAYLOR: I'm going to assert a scope

1 objection here. She is here to answer questions about
2 communications between officials of the White House and the
3 Treasury and RTC. This is not --

4 MR. BRAUNREUTHER: You are asking the witness not
5 to answer that question?

6 MR. TAYLOR: Yes.

7 BY MR. BRAUNREUTHER:

8 Q Ms. Caputo, can you tell me whether there was any
9 general concern in the White House in January 1994 that
10 the -- let me just step back for a second.

11 I want to ask a couple questions not to impose
12 upon the objections made but to make sure this line of
13 questioning would be objected in its entirety.

14 MR. TAYLOR: Fine. That's your prerogative.

15 MR. BRAUNREUTHER: I am confident this is likely
16 to elicit an objection.

17 MR. TAYLOR: No hard feelings.

18 BY MR. BRAUNREUTHER:

19 Q Are you familiar with the general concerns within
20 the White House in January 1994 about how press coverage of
21 the White House matter could affect the legislative agenda
22 for this administration?

27

1 MR. TAYLOR: You are a prophet, Mr. Braunreuther,
2 because I do have a scope objection.

3 MR. BRAUNREUTHER: I take it if I were to inquire
4 at all as to the general concern about Whitewater matters
5 within the administration during this period of time that
6 you would object to those inquiries?

7 MR. TAYLOR: I would.

8 MR. BRAUNREUTHER: Okay. I do want to offer the
9 observation that from our perspective, this general
10 background information is relevant in terms of assessing
11 how important it was for the White House to deal with
12 Whitewater matters at that point in time. We believe that
13 it may have some bearing on the incentive or the motive to
14 affect the recusal decision which was then confronting
15 Mr. Altman. It would be on that basis that I would seek to
16 get into this area.

17 Having said that, are you going to persist with
18 your objection?

19 MR. TAYLOR: Yes.

20 BY MR. BRAUNREUTHER:

21 Q Do you know whether the First Lady knows
22 Mr. Altman?

28

1 A Yes.

2 Q Do you know how close that relationship is?

3 A No.

4 Q How would you describe the relationship to the
5 extent that you do know about it?

6 A Friendly.

7 Q Can you elaborate on that in any way?

8 A No.

9 Q Do you know how long-standing that relationship
10 is?

11 A No.

12 Q Has the First Lady ever confided in you that she
13 was sympathetic to Mr. Altman under the circumstances
14 confronting him with respect to recusal?

15 A No.

16 Q Have you ever spoken to Maggie Williams about
17 Mr. Altman and his involvement in Whitewater-related
18 matters?

19 A No.

20 Q Do you know what the relationship is between
21 Ms. Williams and Mr. Altman?

22 A I don't know what the relationship is other than

1 I think that they worked together quite a bit on the health
2 care issue.

3 Q Would you say that there is a close friendship
4 between Mrs. Williams and Mr. Altman?

5 A I couldn't say. I don't know what their
6 relationship is outside of a professional relationship.

7 Q You have no insight into whether they are simply
8 professionals that -- withdrawn.

9 I would like to get your best view of whether
10 they have a close friendship or not, to the extent you may
11 or may not know.

12 A I really don't know.

13 Q From your observations, I believe you said they
14 worked very closely on the health care issue; is that
15 correct?

16 A Yes.

17 Q During what period of time would that have been?

18 A The health care issue has been an ongoing issue
19 since January of '93. So I guess I would say from January
20 of '93 to the present.

21 Q Do you know whether during the period December of
22 '94 through the beginning of March of '94, whether

1 Mr. Altman was regularly working with the First Lady or
2 Ms. Williams on health care-related issues?

3 A What was the time frame?

4 Q December of '93 through March of '94.

5 A I don't know.

6 MR. TAYLOR: Let me ask you for some
7 clarification. Do you mean privately without the presence
8 of others or was he part of a working group in which they
9 all participated?

10 MR. BRAUNREUTHER: I mean both. I really want to
11 get the nature and extent of the contacts in connection
12 with the health care issue. I will tell you, that is a
13 particularly critical time frame within which we are
14 working on the RTC matters.

15 BY MR. BRAUNREUTHER:

16 Q I would like to know whether, contemporaneous
17 with those matters, whether there was a close working
18 relationship on other administrative issues and in
19 particular the health care issue.

20 MR. TAYLOR: I think that is a fair question.

21 THE WITNESS: I know Mr. Altman was involved with
22 the health care issue. As far as specific meetings or

1 conversations, I just can't say. I don't know.

2 BY MR. BRAUNREUTHER:

3 Q Was Mr. Altman regularly in contact with
4 Ms. Williams during that period of time?

5 A I don't know. You would have to ask her.

6 Q Do you know whether Mr. Altman was regularly in
7 contact with the First Lady during that period of time?

8 A I don't know.

9 Q In preparation for testifying, did you review any
10 documentation?

11 A Yes.

12 Q What kind of documentation did you review?

13 A Documents that my lawyer showed me.

14 Q Aside from the document which was shown to you
15 here today, what other documents did you review in order to
16 prepare yourself for testimony today?

17 MR. TAYLOR: Mr. Braunreuther, I don't believe
18 you are entitled to inquire what documents I selected to
19 show my client to prepare for a deposition. It is work
20 product.

21 MR. BRAUNREUTHER: I don't want your work
22 product. I am entitled to inquire as to what documents the

1 witness who is here testifying looked at in preparation for
2 testifying.

3 MR. TAYLOR: Not if those are documents which I
4 selected and chose and asked her to look at. You would be
5 entitled to inquire what documents she looked at to refresh
6 her recollection. But in terms of our preparation for
7 deposition, just as any lawyer would prepare a witness for
8 deposition, if the purpose of showing the documents is not
9 to refresh recollection but merely to prepare, then you are
10 not entitled to know.

11 MR. BRAUNREUTHER: I'm not looking to uncover the
12 documents that you may have prepared. Let's put aside any
13 documents that you, the lawyer, prepared. I would like to
14 know, though, whether there are any other documents that
15 the witness reviewed, whether you were the one that showed
16 them to her or not. I believe I am entitled to inquire
17 about that.

18 MR. TAYLOR: You are entitled to know whether
19 anybody other than me showed her documents.

20 MR. BRAUNREUTHER: I disagree. I am absolutely
21 entitled to know what documents the witness reviewed prior
22 to testifying, aside from documents which were created by

1 you initially. If she saw notes of other witnesses'
2 testimony, if she saw notes prepared by other witnesses, if
3 she saw anything that was not prepared by you, I believe I
4 am entitled to see it.

5 I will ask my colleague for the majority staff
6 what his views are.

7 MR. KRAVITZ: I think that is right. He is
8 clearly not entitled to ask the witness what you said to
9 her about any documents you showed her. But I think he is
10 clearly entitled to ask what documents you showed her in
11 preparation for the deposition.

12 MR. TAYLOR: Do you remember what documents I
13 showed you?

14 THE WITNESS: Not all of them, no.

15 BY MR. BRAUNREUTHER:

16 Q How about any of them?

17 A Yes.

18 Q Can you describe the documents that you looked
19 at?

20 A The work product, the synopsis from Neal
21 Eggleston.

22 Q By that you are referring to Documents 1121,

1 1122, 1124, 1125, 1126, 1127, 1128 and 1129?

2 A Yes.

3 Q Is that correct?

4 A Yes.

5 Q Aside from those documents -- let me ask you with
6 respect to those documents.

7 Did you see them in their unredacted form in
8 preparation for testifying?

9 A Yes, I did.

10 MR. BRAUNREUTHER: I would make a request that
11 the balance of the documents be produced, but I think I
12 would like to preserve it for the record, because there has
13 been an explicit redaction that is the subject of some
14 ongoing discussion.

15 MR. TAYLOR: The fact that I showed her the
16 unredacted documents does not mean that you are entitled to
17 production of the unredacted documents.

18 MR. BRAUNREUTHER: I am not going to argue the
19 point with you right now.

20 BY MR. BRAUNREUTHER:

21 Q Aside from -- incidentally -- aside from these
22 heavily redacted documents which we have described already,

1 what else did you review in preparation for testifying here
2 today?

3 A There were a couple other things.

4 Q What other things?

5 A There was a --

6 MR. TAYLOR: Let me consult.

7 (Counsel conferred with the witness.)

8 THE WITNESS: There were, I think, one or two
9 pages of notes that I took in January of '94 during
10 strategy meetings on the media pertaining to Whitewater.

11 MR. BRAUNREUTHER: I take it you would.

12 MR. TAYLOR: Yes, that don't relate to comments.

13 MR. BRAUNREUTHER: We are going to make a request
14 for documents.

15 BY MR. BRAUNREUTHER:

16 Q Aside from the items you have described up to
17 this point, what other items did you review in preparation
18 for your testimony here today?

19 A None.

20 Q No other documents?

21 A Not that I can remember.

22 Q When did you review documents in preparation to

1 testify?

2 A Over the past two weeks.

3 Q Do you recall reviewing any other documents last
4 night or yesterday in preparation for testifying here today
5 other than one or two pages of notes taken in January 1994
6 and the heavily redacted items which have previously been
7 described?

8 MR. TAYLOR: Mr. Braunreuther, it may come as
9 some surprise to you, but our view of Ms. Caputo's
10 involvement in the matters relevant to this committee are
11 very narrow. You are entitled to ask.

12 MR. BRAUNREUTHER: Counsel, let me say this. If
13 this is the witness's testimony, we can get to the punch
14 line very quickly. Frankly, I'm surprised you interposed
15 an objection based on work product if the witness never
16 reviewed any work product of yours. While I am prepared to
17 exclude the work product, the witness has testified she
18 hasn't reviewed any.

19 To my mind, we have gone off on a tangent
20 unnecessarily based on an objection you imposed. Either
21 the answer is yes, these are the only documents I reviewed,
22 and it will end the inquiry, or there are other documents

37

1 and we can argue about whether they should be produced or
 2 not. I think we can conclude the discussion very quickly
 3 with a truthful answer to my inquiry.

4 MR. TAYLOR: You and I have a disagreement, but
 5 it is probably moot, about whether one is entitled to
 6 explore the counsel's selection of documents in its
 7 preparation of the witness. I happen to think that you are
 8 wrong about that. But because I think it is moot and
 9 irrelevant and we need to move along --

10 MR. BRAUNREUTHER: I would ask we not get into
 11 the theoretical hypothetical objections if they have no
 12 application --

13 MR. TAYLOR: I don't think you are entitled to
 14 ask if she saw the unredacted copy of that memo.

15 MR. BRAUNREUTHER: Please read back my question.
 16 (The reporter read the record as requested.)

17 THE WITNESS: No.

18 BY MR. BRAUNREUTHER:

19 Q Same question with respect to the last two-week
 20 period which you described as the time within which you
 21 were preparing yourself to testify. Would you like me to
 22 rephrase the question?

38

1 A Yes.

2 Q Have you reviewed in the last two weeks any other
 3 materials other than the one or two pages of notes which
 4 you took in January of 1994 and the redacted documents
 5 which have previously been described on the record --

6 MR. TAYLOR: Mr. Braunreuther --

7 MR. BRAUNREUTHER: I haven't completed the
 8 question.

9 BY MR. BRAUNREUTHER:

10 Q -- in preparation for your testimony?

11 MR. TAYLOR: I'm going to instruct the witness
 12 that conversations which she has with counsel do not amount
 13 to preparation for the deposition. Documents which she may
 14 have looked at in the course of time in which I have been
 15 representing her do not constitute documents which she has
 16 reviewed in preparation for the deposition.

17 MR. KRAVITZ: Unless she was reviewing them in
 18 preparation for the deposition while she was talking to you
 19 about them.

20 MR. TAYLOR: That's correct, that's correct.

21 THE WITNESS: Okay. Now you have totally
 22 confused me. What --

1 MR. KRAVITZ: Why don't you ask her when she
2 found out she was going to be deposed?

3 BY MR. BRAUNREUTHER:

4 Q Let me ask you this. You have previously been --
5 have you previously been before the grand jury?

6 A Yes.

7 Q Have you previously been questioned by Mr. Cutler
8 with respect to this matter?

9 A No, I have not.

10 Q Have you been questioned by the Treasury IG's
11 office with respect to this matter?

12 A No, I have not.

13 Q At any time either in preparation for an
14 appearance before the grand jury or in preparation for
15 depositions here, have you reviewed any other documents to
16 prepare yourself to testify?

17 (Counsel conferred with the witness.)

18 MR. TAYLOR: Here is the problem. Let me try to
19 spell it out for you. You can be sure that in interviewing
20 his client, counsel may very well go beyond the scope of
21 what is in this resolution, and that is not for purposes of
22 preparing a deposition. But I have been representing her

1 since before the grand jury, and I am not going to let you
2 get into matters which go beyond the scope of this
3 resolution which might include a broader inquiry by her own
4 counsel at various times, simply because I have shown her
5 documents in an effort to investigate Whitewater-type
6 matters.

7 So, the deposition preparation question, I am
8 going to let you ask it. I won't let you ask what the
9 entire universe of documents she has looked at since I have
10 been representing her.

11 BY MR. BRAUNREUTHER:

12 Q Can you identify for me any of the documents that
13 you have looked at that in any way mention the meetings
14 within the scope of this resolution, and that is
15 Treasury-White House contacts?

16 A Treasury-White House contacts?

17 MR. TAYLOR: Or RTC.

18 BY MR. BRAUNREUTHER:

19 Q Or RTC.

20 A Those that I referred to.

21 Q For example, have you seen any documents prepared
22 either by Ms. Williams, Mr. Altman, Mr. Steiner or others

1 bearing on the issues which are within the scope of this
2 resolution?

3 A No.

4 MR. BRAUNREUTHER: Counsel, you know what your
5 client has seen in the way of documentation and you have
6 been advising, throughout this line of questioning, you
7 have been advising your client about the answers.

8 Are you aware of documents that your client has
9 seen other than those which have been disclosed which
10 pertain to Treasury-White House contacts and the issues we
11 have been exploring here in this testimony?

12 MR. TAYLOR: No.

13 MR. BRAUNREUTHER: Is it basically your
14 representation that the documents which you are concerned
15 about disclosing pertain to other Whitewater matters, other
16 than RTC or Treasury's handling of the RTC civil or
17 criminal investigations?

18 MR. TAYLOR: Yes.

19 MR. BRAUNREUTHER: I will say, it is not my
20 intention to probe into unrelated Whitewater -- I guess
21 everything is related in one sense.

22 MR. TAYLOR: That's the fundamental problem. The

1 resolution includes a subset of Whitewater matters. So I
2 don't think that entitles you to inquire into the entire
3 universe of Whitewater matters. I understand your desire
4 to probe. I am not offended by it. But I have to tell you
5 that we are drawing the line around contacts, as I think
6 the resolution does.

7 MR. BRAUNREUTHER: Although that can be the
8 subject of some disagreement about where that line should
9 be drawn.

10 MR. TAYLOR: Most lines are subject to
11 disagreement as to where they are drawn.

12 BY MR. BRAUNREUTHER:

13 Q Did you know that Ms. Williams also was called
14 before the Committee on Banking?

15 A Yes.

16 Q Have you spoken to her since her testimony?

17 A Yes.

18 Q Did she discuss with you her testimony?

19 A No.

20 Q Did she indicate who questioned her and what the
21 questions were?

22 A No, she did not.

1 Q So you had no insight into the line of
2 questioning that she was subjected to?

3 A No.

4 Q Let me ask you, are you familiar with Ms. Dee Dee
5 Myers?

6 A Yes.

7 Q Who is she?

8 A She is the White House press secretary.

9 Q I want to show you a document, X878, which I
10 believe is in her handwriting, but I can't represent that.
11 Do you recognize that to be Ms. Myers' handwriting?

12 A I don't know her handwriting. I don't know Dee
13 Dee's handwriting.

14 Q Did you participate in a meeting in early March
15 of 1994 regarding White House-Treasury-RTC contacts?

16 A There wasn't a meeting that I participated in.
17 The only thing that could be deemed close that I was
18 involved in was when I was served a subpoena with a group
19 of people to appear before a grand jury regarding White
20 House-RTC contacts. That was in early March.

21 Q At that time did you participate in discussions
22 with others regarding these matters?

1 A We were served a subpoena and that was it.

2 Q Following receipt of the subpoena, did you
3 participate in discussions with either -- withdrawn.

4 Let me show you. On the bottom of this document,
5 X878, your name appears with Ms. Williams', Mr. Ickes's,
6 Bruce Lindsey, Mark Gearan, Bernard Nussbaum. Does that
7 refresh your recollection as to whether or not you attended
8 a meeting with those individuals with respect to
9 Treasury-White House matters or responded to the grand jury
10 subpoena?

11 A No. Those were the people who were served a
12 subpoena with me, and we were all in the same room when we
13 were served the subpoena.

14 Q Did any discussions take place after receipt of
15 the subpoena regarding these matters?

16 A No.

17 Q So you were just in a room and everyone received
18 individual subpoenas at that time?

19 A Yes.

20 Q To the best of your recollection, of course you
21 didn't prepare Document X878, but to the best of your
22 recollection, there was no meeting between yourself and the

1 others identified on that document?

2 A No.

3 Q Are you aware whether there were meetings within
4 the White House in early March to discuss the underlying
5 facts involving Treasury-White House contacts?

6 A No.

7 Q From the same packet of documents, there is a
8 document marked X882 which is captioned "RTC tick tock."
9 You wouldn't have any insight into what RTC tick tock is,
10 do you?

11 A No.

12 Q Let me show you that document. I ask if you have
13 ever seen that before.

14 A Never seen it before.

15 Q Can you take a look at the entries which appear
16 on that document and I would like you to review it to
17 determine whether that refreshes your recollection as to
18 whether or not you participated in any discussions
19 regarding the matters identified on that page X882.

20 (Witness examined the document.)

21 MR. TAYLOR: What is your question?

22 BY MR. BRAUNREUTHER:

1 Q I would like you to review the document and let
2 me know whether that refreshes your recollection as to
3 whether or not you may have participated in any meetings
4 regarding the subject matters identified in That document
5 X882.

6 A No.

7 Q Similarly, we have a document marked X884 dated
8 March 3, 1994 which was produced by the White House which
9 is in someone's handwriting, and I would ask first whether
10 you recognize the handwriting and second, whether or not --
11 first, do you recognize the handwriting?

12 A No.

13 Q And could you briefly review that document and
14 tell me whether that refreshes your recollection as to
15 whether or not you may have participated in meetings where
16 those matters were discussed, where the matters which
17 appear on X884 were discussed.

18 A No.

19 Q I assume you have a close working relationship
20 with Dee Dee Myers?

21 A Yes.

22 Q Do you know whether at about that time Ms. Myers

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1 was involved in reviewing the facts with other individuals
 2 in order to be in a position to answer press inquiries
 3 which I understand were pretty intense in early March?

4 A I don't know.

5 Q You may have answered this earlier, but have you
 6 ever participated in any discussions with Ms. Maggie
 7 Williams regarding Roger Altman's recusal?

8 A No.

9 Q Can you describe the circumstances surrounding
 10 Mr. Klein's interview of you regarding these matters?

11 A My recollection is after seeing the notes I was
 12 shown by counsel, that it came after an inquiry from Ann
 13 Devroy of The Washington Post of me as to whether or not I
 14 had requested a briefing from the RTC.

15 Q And how was it that Mr. Klein came to you and
 16 asked you questions if it was Ms. Devroy who called you?

17 A Ms. Devroy called me and asked me the question
 18 and I told her I had not received a briefing.

19 Q How did Mr. Klein get involved in the process?

20 A I don't really remember. But I remember when she
 21 mentioned that there were phone logs, I remember thinking
 22 back trying to remember if I had received any kind of phone

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1 call whatsoever, and I did remember getting a phone call
 2 from a man at the RTC. I think Mr. Klein -- I told
 3 Mr. Klein. It was at a point where The Washington Post was
 4 working on a story on White House-RTC contacts.

5 Q I would like to get a focus on Mr. Klein's
 6 involvement. From what you testified to, you had a
 7 conversation with Ms. Devroy?

8 A Yes.

9 Q I would like to know if you have any insight into
 10 how it was that Mr. Klein contemporaneously came to
 11 question you about that.

12 A To the best of my recollection, in his capacity
 13 as counsel.

14 Q How would he know that you had a discussion with
 15 Ms. Devroy?

16 MR. TAYLOR: Would you be willing to remind the
 17 witness as to the dates on which the subpoenas were
 18 served?

19 MR. BRAUNREUTHER: Yes.

20 BY MR. BRAUNREUTHER:

21 Q I believe the subpoenas were served on March

22 6 -- 4.

1 MR. KRAVITZ: I heard it was the 4th.

2 MR. TAYLOR: I thought it was the 6th. The Klein
3 conversation is the 8th.

4 MR. KRAVITZ: That's what the notes indicate.

5 THE WITNESS: Oh. Friday the 8th?

6 MR. KRAVITZ: You have your calendar messed up.
7 The 8th was a Monday.

8 MR. BRAUNREUTHER: The 4th was a Friday.

9 MR. KRAVITZ: The 8th was a Tuesday, actually.

10 BY MR. BRAUNREUTHER:

11 Q These notes, referring to Document X471, which
12 appear to be notes taken by Mr. Klein on March 8 in a
13 conversation he had with you --

14 MR. TAYLOR: I'm not sure that's a conversation
15 he had with her.

16 BY MR. BRAUNREUTHER:

17 Q I can show you the document. I have no
18 independent understanding of how these notes were
19 prepared. There is a notation on the side which says "JK
20 note 3/8/94. These are notes of my discussion with Lisa
21 Caputo re: Washington Post story covering her contacts
22 with RTC."

1 That may have been a sticky that was placed on
2 the document.

3 A I believe that this conversation took place with
4 Joel Klein before the 8th and he may have written them out
5 as notes on the 8th, because I remember having a
6 conversation with Joel Klein about that after Ann Devroy
7 called.

8 Q After Ann Devroy called, did you contact
9 Mr. Klein or was it -- or did he contact you?

10 A I really don't remember the sequence of events.

11 Q Do you recall whether Mr. Klein during this
12 period of time had undertaken a task to review the facts
13 surrounding all White House-Treasury-RTC contacts?

14 A I remember at that time he issued the memo for us
15 to comply with the subpoena from the special counsel.

16 Q Did you have an understanding when he interviewed
17 you that he was looking to identify all RTC-Treasury-White
18 House contacts?

19 A I just don't remember.

20 Q Do you know whether he was following a similar
21 procedure with other employees in the White House?

22 A I don't know.

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1 Q Can you tell me who were the other members of the
2 response team that you described earlier which were
3 organized to address Whitewater matters in approximately
4 January of 1994?

5 A Yes.

6 Q Who were is they?

7 A Harold Ickes, Maggie Williams, George
8 Stephanopoulos, Bruce Lindsey, Neal Eggleston, David Gergen
9 on occasion, Dee Dee Myers on occasion, Mark Gearan, I
10 think. That's sort of off the top of my head.

11 Q In putting together a response team, can you give
12 me your understanding of why these particular individuals
13 would be involved in a response team?

14 A Well, again, I wouldn't necessarily deem it as a
15 response team, but rather a media strategy session of
16 people who are adept at communications and really having
17 brainstorming sessions as to dealing with the issue.

18 Q When one undertakes the process of putting
19 together a strategy team, if you feel more comfortable with
20 that language, what -- let me ask you what is the process
21 of identifying people that should be a part of the team and
22 do each of these individuals bring anything in particular

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1 to the team that would suggest that they be a part of the
2 team?

3 A You know --

4 Q Is it just a process where we say let's get a
5 bunch of people together or is it something along the lines
6 of let's get somebody from the First Lady's communication
7 team and somebody from the President's team and somebody
8 who has legislative background? Is there any thought of
9 that, to the best of your knowledge?

10 A I can't speak to that. I didn't put together the
11 meeting.

12 Q Have you been a part of other strategy teams
13 similar to the one that you are describing here or is this
14 unique to the Whitewater situation?

15 A No. I have been a part of other teams.

16 Q And not everybody in the universe of potential
17 participants is placed on such a team?

18 A That's correct.

19 Q Is there any attempt by whoever is forming the
20 team to bring in a diverse group of people who can make
21 different contributions to the team?

22 A I think that the person who puts together the

1 strategy sessions brings together people who are skilled at
2 communications and have a strong background in
3 communications.

4 Q Beyond that, do you have any insight whatsoever
5 as to why these particular individuals were asked to be a
6 part of the Whitewater team?

7 A No, other than they are all skilled at
8 communications.

9 Q And there is nothing about their particular roles
10 in administration which made them well suited to make a
11 contribution to this particular Whitewater response team?

12 A I couldn't speak to that. As I said, I didn't
13 put the meetings together.

14 Q Once a team is put together and in particular
15 this team that was formed with respect to Whitewater
16 matters, is there any allocation of responsibilities made
17 for team members?

18 MR. TAYLOR: I'm going to impose a scope
19 objection at this point, Mr. Braunreuther.

20 MR. BRAUNREUTHER: I would ask the witness to
21 answer the question. To my mind it is clearly within the
22 scope. We have had testimony from many other witnesses

1 about this -- I don't want to overstate it. We have had
2 testimony about the team. So far I don't think we have
3 even scratched the surface on what the team does and the
4 responsibilities. I can't imagine what would be so
5 controversial as to prevent the witness from answering
6 these questions.

7 MR. TAYLOR: It is the following: The Senate of
8 the United States is inquiring into matters in the
9 executive branch and the inquiry is prudently limited, as
10 it should be, by the terms of Senate Resolution 229. We
11 have going to abide by that resolution and I think we are
12 bound to do that and I think you are too. We are not going
13 to let you inquire into all the strategy that goes on in
14 the White House because it has not escaped our attention
15 that there are some people in this process who would just
16 as soon not see the same people in the White House the next
17 time around.

18 MR. BRAUNREUTHER: I think it is not necessary to
19 make gratuitous comments about political motives. We have
20 been here asking questions to get to the facts. I think it
21 would be presumptuous for you to suggest a motive that goes
22 beyond getting to the facts here. Having said that, let me

1 go back to my question.

2 MR. TAYLOR: Go ahead.

3 BY MR. BRAUNREUTHER:

4 Q Was the issue of the RTC's civil case excluded
5 from the jurisdiction of this response team?

6 MR. TAYLOR: What does that have to do with the
7 contacts?

8 MR. BRAUNREUTHER: Are you instructing the
9 witness not to answer the question?

10 MR. TAYLOR: I'm objecting to it, yes. I'm going
11 to give you an opportunity to explain to me what that has
12 to do with communications between officials of the White
13 House and the Department of Treasury.

14 MR. BRAUNREUTHER: I believe the witness or
15 yourself explained earlier that this particular Whitewater
16 matter involving whether or not a civil suit would be
17 commenced in the Whitewater case was a subset of all the
18 Whitewater matters. To my knowledge, up to this point the
19 testimony has been that a general Whitewater response team
20 was formulated. If in fact the handling of the Madison
21 civil case was not excluded from the jurisdiction or the
22 responsibilities of this group, which I believe we have

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1 developed independently from this, then I would suggest
2 this is a highly relevant area. That's the basis of my
3 question.

4 Can I have the question read back and I would ask
5 the witness to answer the question. If counsel wants to
6 direct the witness not to answer the question, he can do
7 so.

8 (The reporter read the record as requested.)

9 MR. TAYLOR: I have several objections. One is
10 foundation. I'm not sure there is any testimony about what
11 jurisdiction is. Secondly, I do not think that you can
12 conscientiously argue that this woman who has one contact
13 with the RTC and who has now been here for an hour and a
14 half can be honestly asked about the strategy sessions
15 which take place in the White House media response team.

16 If you can answer the question whether the civil
17 case which was not in fact a civil case, it was an
18 enforcement matter under investigation about which no
19 decisions had been made, but if you accept that
20 characterization of it, that that was within or without the
21 jurisdiction of the response team, if you can answer that
22 question, then I will permit you to answer the question.

1 THE WITNESS: There wasn't a jurisdiction.

2 BY MR. BRAUNREUTHER:

3 Q Therefore, there is nothing excluded from the
4 responsibility of these members to handle press inquiries
5 with respect to Whitewater-related matters; correct?

6 A I'm not understanding your question.

7 Q Was there any -- if I understand, this response
8 team was formed to address Whitewater-related matters;
9 correct?

10 A Yes.

11 Q Now, can you tell me what each of the
12 individual -- whether there was any responsibility
13 allocated to each of these individuals within that large
14 picture of responding to Whitewater press inquiries?

15 A No, I don't really recall if people were given
16 particular responsibilities. As I said, they were
17 basically brainstorming sessions.

18 Q How did these response teams work? Do they get
19 together periodically and discuss matters?

20 MR. TAYLOR: I'm going to interpose my scope
21 objection and instruct her not to answer that at this
22 point.

1 BY MR. BRAUNREUTHER:

2 Q Have you ever heard the term "damage control"
3 applied to one of these response teams?

4 A I don't remember.

5 Q Is it necessary to the function of a response
6 team that they identify the underlying facts and obtain as
7 much information as possible to be in a position to
8 adequately respond to press inquiries?

9 A I guess it really depends on the issue.

10 Q To your recollection, was anyone delegated the
11 authority to develop the underlying facts with respect to
12 Whitewater-related matters?

13 A The only thing that I really recall is this memo
14 that Neal Eggleston did based on news accounts of the
15 Whitewater matter. He did the synopsis which you showed me
16 earlier of the Whitewater matters made on the accounts of
17 it in media reports.

18 Q To your understanding, were the press accounts
19 the sole source of information which were conveyed to those
20 who received copies of Mr. Eggleston's memorandum?

21 A My understanding was Mr. Eggleston's memorandum
22 was done off of news accounts because there was apparently

1 a lot of inaccurate information in the news accounts.

2 Q Did the memorandum contain any clarifications as
3 to what was accurate within the news accounts and what was
4 inaccurate, to the extent it would refer to criminal
5 referrals or an underlying civil recovery action to be
6 commenced by the RTC?

7 A No.

8 Q Do you recall any mention in these meetings or
9 the memos regarding the RTC criminal referrals or civil
10 recovery case contemplated by the RTC?

11 A No.

12 Q Did you participate in any discussions with any
13 of the individuals who were a member of this response team
14 regarding the statute of limitations discussion regarding
15 an RTC civil recovery action?

16 A No.

17 Q And have you ever heard the term "criminal
18 referral" discussed in these meetings or between yourself
19 and some of these other members of the response team?

20 A No.

21 Q When was the first time that you learned there
22 actually was a criminal referral made in the -- by the RTC

1 in connection with the Madison case?

2 A I read it in the paper.

3 Q When was that?

4 A I really don't recall. Perhaps sometime in the
5 fall.

6 Q Do you recall whether in February of 1994 there
7 was a general concern about presidential appointees being
8 asked to recuse themselves?

9 A No.

10 Q Did you participate in any discussions with
11 anyone within the White House staff regarding recusal
12 regarding presidential appointees?

13 A No.

14 Q Were you involved in any way in discussions
15 regarding Ricky Tigert?

16 A No.

17 Q Do you know who Ricky Tigert is?

18 A No.

19 Q So to your knowledge, there is no particular --
20 let me ask you this. In any discussions you may have had
21 with Maggie Williams in January or February of 1994, who I
22 assume at that time you had a close daily working

1 relationship with -- let me ask you, did you work very
2 closely with Ms. Williams in January and February of 1994?

3 A I have worked very closely with Ms. Williams
4 since the 1992 presidential campaign.

5 Q In your current responsibilities, I assume you
6 have a regular if not daily communications with
7 Ms. Williams?

8 A Yes.

9 Q And there is close coordination between the two
10 of you with respect to pending press issues?

11 A Yes.

12 Q And that relationship existed certainly during
13 the period January and February of 1994; is that right?

14 A I would assume so.

15 Q At any time during that period, did you have any
16 discussions with Ms. Williams regarding the
17 administration's concern about recusals for political
18 appointees?

19 A No.

20 Q To your recollection, the issue of presidential
21 appointees being asked to recuse themselves was something
22 that wasn't even discussed during January and February of

1 1994?

2 A I had no knowledge of it and it was not discussed
3 with me.

4 MR. TAYLOR: Mr. Braunreuther, you really have
5 gone very far beyond the scope of these hearings.

6 MR. BRAUNREUTHER: Let me say something. I
7 appreciate your contribution to the process. I will tell
8 you independently that this has been a line of questioning
9 that has gone forward. Unfortunately -- and I mean this
10 sincerely -- you don't have the benefit of the other
11 testimony and you don't have the benefit of some of the
12 issues that we are looking at. You unfortunately are stuck
13 with the bare resolution and it is difficult for you to
14 fully understand the scope of this.

15 You are, though, however, as experienced counsel,
16 familiar with the ideas of developing evidence which may
17 bear on central issues. I represent to you that this
18 particular area of questioning has been addressed with
19 other individuals without the objections that we have
20 encountered in this proceeding.

21 So, I ask you to defer to us in this regard.

22 MR. TAYLOR: I will not.

1 MR. BRAUNREUTHER: Are you instructing the
2 witness not to answer any further questions?

3 MR. TAYLOR: I'm going to listen to every single
4 question you ask from here on and make a judgment. Now
5 that you have ascertained that she has had one contact and
6 that she doesn't know about any others other than what she
7 has learned from the paper, it doesn't seem to me that
8 there are any other questions or areas which you can pursue
9 that you haven't already pursued that are likely to lead,
10 even if you take the liberal definition, to the discovery
11 of admissible evidence.

12 I am just telling you I will listen very
13 carefully, ignorant as I am of all the things which have
14 gone on in other proceedings, and make a judgment which I
15 hope will get this lady back to work in the next 10 or 15
16 minutes.

17 MR. BRAUNREUTHER: I'm sure you have listened
18 very carefully to all my questions, haven't you?

19 MR. TAYLOR: Yes, sir.

20 MR. BRAUNREUTHER: I assume you would object to
21 any question regarding meetings with the First Lady
22 regarding press inquiries into the Madison/Whitewater

1 matter?

2 MR. TAYLOR: That are not related to contacts,
3 yes, I would.

4 MR. BRAUNREUTHER: Let me ask the question.

5 MR. TAYLOR: Go ahead.

6 BY MR. BRAUNREUTHER:

7 Q Have you participated in meetings involving the
8 First Lady where Madison/Whitewater matters were
9 discussed?

10 MR. TAYLOR: You can answer that question.

11 THE WITNESS: Yes.

12 MR. BRAUNREUTHER: I anticipate that if I delve
13 into those discussions, you will object?

14 MR. TAYLOR: Yes. My feeble recollection is that
15 you have already done this.

16 MR. BRAUNREUTHER: And you have objected.

17 MR. TAYLOR: And I have.

18 MR. BRAUNREUTHER: And you intend to object if I
19 go into it again?

20 MR. TAYLOR: Yes.

21 MR. BRAUNREUTHER: Let the record reflect counsel
22 objects to any inquiry into discussions between the witness

1 and the First Lady regarding Whitewater issues.

2 MR. TAYLOR: Unrelated to contacts with the RTC.

3 MR. BRAUNREUTHER: As you describe that, which is

4 a direct discussion with the First Lady regarding a direct

5 contact between Treasury, the White House and the RTC.

6 MR. TAYLOR: That's your definition. I said
7 unrelated.

8 MR. BRAUNREUTHER: Let me ask about the
9 discussions. I would be happy for you to state your
10 objection so that it is clear on the record, but I don't
11 want to leave the record open as though we have not been
12 willing to probe into this area to find out about
13 discussions --

14 MR. TAYLOR: It is a dry hole, Joe. Go ahead and
15 ask your question.

16 BY MR. BRAUNREUTHER:

17 Q Have you ever discussed with the First Lady the
18 question or the issue of whether a civil action might or
19 might not be commenced in the Madison case?

20 A No.

21 Q Have you ever discussed with the First Lady the
22 potential press implications if a civil action was

1 commenced?

2 A No.

3 Q Have you ever discussed with the First Lady the
4 impact that the commencement of a civil action would have
5 on the administration's legislative agenda and in
6 particular the First Lady's efforts to pass a health care
7 program, health care legislation?

8 MR. TAYLOR: Is there another part to that
9 question?

10 MR. BRAUNREUTHER: Read the question back,
11 please.

12 (The reporter read the record as requested.)

13 THE WITNESS: No, not that I remember.

14 BY MR. BRAUNREUTHER:

15 Q Have you had any discussions along the same lines
16 that I have described with Ms. Williams?

17 A Not that I recall.

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1 MR. BRAUNREUTHER: I have no further questions.
2 Thank you for spending your time with us this
3 morning.
4 (Whereupon, at 10:35 a.m., the deposition was
5 concluded.)

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7 -----
8 LISA CAPUTO
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CERTIFICATE OF NOTARY PUBLIC & REPORTER

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I, BRENDA M. SMONSKEY, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn; that the testimony of said witness was taken in shorthand and thereafter reduced to typewriting by me or under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and, further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.


Notary Public in and for the
District of Columbia

My Commission Expires APRIL 14, 1996

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September 16, 1994

BY HAND

Mr. Douglas Epstein
Senate Committee on Banking,
Housing and Urban Affairs
Room SD 534 Dirksen Senate Office Building
Washington, DC 20510

Dear Mr. Epstein:

On behalf of Lisa Caputo, enclosed please find an errata sheet for her deposition before the Committee. Please contact me if you have any questions.

Sincerely yours,

William W. Taylor, III/mcb
William W. Taylor, III

WWT/bjm
Enclosure

cc: Ms. Lisa Caputo

e:\attorney\lmb\5705\epstein.ltr

**ERRATA SHEET FOR DEPOSITION OF
LISA CAPUTO
ON JULY 22, 1994
BEFORE THE SENATE COMMITTEE ON
BANKING, HOUSING AND URBAN AFFAIRS**

<u>Page</u>	<u>Line</u>	<u>Correction</u>
35	12	"comments" should be "contacts"
54	11	"have" should be "are"

**DEPOSITION OF JOHN D. PODESTA
IN RE: S. RES. 229**

FRIDAY, JULY 22, 1994

**U.S. SENATE,
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
Washington, DC.**

Deposition of JOHN D. PODESTA, called for examination pursuant to notice of deposition, at 1:05 p.m. in Room SC-06 of the Capitol, before BRENDA M. SMONSKEY, a Notary Public within and for the District of Columbia, when were present:

NEAL E. KRAVITZ, Esq.
Majority Deputy Special Counsel
DOUGLAS EPSTEIN, Esq.
Majority Counsel
JOSEPH G. BRAUNREUTHER, Esq.
Minority Deputy Special Counsel
DOUGLAS R. NAPPI, Esq.
Republican Counsel
Committee on Banking, Housing, and Urban Affairs
U.S. Senate
On behalf of the Committee.

ALAN KRIEGEL, Esq.
AMY R. SABRIN, Esq.
Skadden, Arps, Slate, Meagher & Flom
1440 New York Avenue, NW
Washington, DC
On behalf of the Deponent.

ALSO PRESENT: GILA ZAWADZKI

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DEPOSITION NUMBER	IDENTIFIED
Exhibit 1	261, 932

PROCEEDINGS

Whereupon,

JOHN D. PODESTA

was called as a witness and, having first been duly sworn,
was examined and testified as follows:

EXAMINATION

BY MR. KRAVITZ:

Q Sir, would you please state your full name and
spell your last name for the record.

A John David Podesta, P-o-d-e-s-t-a.

Q Mr. Podesta, how are you employed?

A I am employed at the White House. My job title
is assistant to the president and staff secretary.

Q How long have you held that position?

A Since January 20, 1993.

Q Could you give us just a brief summary or
overview of your educational and employment history, if you
can do it without going into --

A I graduated in 1971 from Knox College in
Galesburg, Illinois and in 1977 with a JD from Georgetown
University. I was a trial lawyer at the Justice
Department, special assistant to the director of Action,

4

the federal volunteer agency. I worked as a counsel to the
Senate Judiciary Committee.

Q Can you try to put some time periods on that?

A Sure. I was at Justice from '76 to '78 and
Action from '78 to '79. In '79 I started as counsel to the
Senate Judiciary Committee, the Administrative Law
Subcommittee. Then as a minority chief counsel to a
succession of Senate Judiciary Committee subcommittees and
then I was the chief counsel at the Senate Agriculture --
that spanned '81 through '86. In '87 and '88 I was chief
counsel to the Senate Agriculture Committee and from 1988
to 1993, I had a firm with my brother which was titled
Podesta Associates where I held most of the corporate
offices; we would trade them back and forth.

Q What is your understanding as to how you came to
hold the position you hold now at the White House?

A Well, I was interviewed for the job of staff
secretary shortly before the inauguration and was offered
the job, I think both because of my legal skills and wide
variety of background and substantive issues, I qualified
for the job and was selected for the post.

Q Who offered you the position?

1 A I would say Mr. Clark.

2 Q What are your duties and responsibilities as
3 assistant to the president and staff secretary?

4 A I manage the president's paper flow which means
5 that I intersect and interact with most of the senior staff
6 in the White House, all of the senior staff in the White
7 House, to collect, comment and advice from them on any
8 matters flowing to the president on a paper basis, whether
9 that is on an information basis only or decision memos.
10 The correspondence department reports to me, which is a
11 fairly large group in the White House that answers the
12 mail.

13 I have responsibility for records management,
14 which is the people -- it is kind of the file cabinet of
15 the White House, if you will. All presidential papers are
16 stored there. I also have responsibility for the executive
17 clerk; which for people on the Hill sort of like the bill
18 clerk and enrolling clerk and those types of people rolled
19 into one. We handle the official papers. We receive
20 bills, send up nominations, receive the confirmations
21 back.

22 Q Who do you report to?

1 A Mr. Panetta and the president.

2 Q And before Mr. Panetta was chief of staff, you
3 reported to?

4 A Mr. McLarty and the president.

5 Q Do you have a staff who works under you?

6 A I do.

7 Q Who is on that staff?

8 A If you take all those units together, there is
9 probably about 100 people.

10 Q Is there anyone who works directly with you on
11 the paper flow subject?

12 A I have two deputies, Todd Stern and Paul Richard,
13 R. Paul Richard. S-t-e-r-n, and Richard with no S. I have
14 three staff assistants, one for the day, one for the night
15 and one for the weekend who are essentially secretaries.

16 Q I'm trying to get a little more detail on your
17 function as controlling the paper flow to the president.
18 What exactly does that entail once a piece of paper gets to
19 you? If someone wants to send a memorandum to the
20 president on a certain subject, say, for example,
21 Whitewater, would that go through you?

22 MR. KRIEDEL: Let's use another example.

1 MR. KRAVITZ: Okay. I didn't want to draw scope
2 objection.

3 THE WITNESS: I was about to give you one.

4 BY MR. KRAVITZ:

5 Q Let's say that someone in the White House
6 counsel's office wants to send a memorandum on a subject
7 that that person thinks would be of interest to the
8 president.

9 A There are probably exceptions to everything in
10 this world, but generally most memoranda come through me.
11 I decide whether it needs more work, it is not a finished
12 product or it needs other people's input or other people's
13 looks. Then I make that decision we will send it out to
14 other folks, collect comments and provide input to the
15 president.

16 Q Do you also make decisions as to what issues are
17 worthy of the President's attention at the time?

18 A Yes.

19 Q Does that entail collaborating with other senior
20 members of the White House staff to determine which issues
21 are the most worthy of the President's time and attention?
22 Or is that something, a decision you make all by yourself?

1 A No. I think when you say "time," I think most of
2 the President's time is scheduled by the scheduler.

3 Q Who is that?

4 A Ricki Seidman. What meetings he is in, what he
5 has time to think and write, that is not my duty. In
6 response to your question, I think that there is a variety
7 of matters that I won't forward on, I will just handle
8 myself that aren't worthy of his attention and can be
9 handled as a lower level.

10 Q How frequently do you have direct contact with
11 the president?

12 A Frequently.

13 Q Daily?

14 A I don't see him every day.

15 Q Is your office in the White House?

16 A It is.

17 Q Do you see Mr. Clinton several times per week?
18 When I say "see," I don't mean just passing in the hall.

19 A We transact most of our business on paper.

20 Q Memoranda going back and forth between you and
21 the president?

22 A Right.

1 Q Can you describe your working relationship with
2 Mr. Nussbaum?

3 MR. KRIEGEL: The scope of this hearing is set
4 out in this resolution as contacts between the White House
5 and Treasury with respect to the subject of Madison.
6 Contacts between members of the White House staff and other
7 members of the White House staff, unless they relate to the
8 subject of the committee's hearing, seems to me are not
9 really pertinent. I think if you have particular questions
10 about particular contacts with people in the White House
11 about the subject matter of these hearings, obviously we
12 are here to answer them. But to sort of talk about how the
13 White House works generically and who has contact with who
14 on any issue under the sun I don't think really is within
15 the scope here.

16 MR. KRAVITZ: I agree with you, to the extent
17 questions relate to issues not relevant to the Senate
18 hearing, that they are not pertinent here. I do think that
19 it is important for the Senators to have an understanding
20 of the various relationships within the White House to
21 understand the reasons for the various contacts that may
22 have taken place between White House officials and

1 officials in other agencies and understand how the White
2 House has been dealing with all of these contacts and the
3 issues that have arisen from them.

4 I do understand your objection, though. These
5 are issues that we will go into at some point. Whether it
6 is right now in a more abstract way or later in a more
7 specific way, if you would rather I go into them as they
8 come up --

9 MR. KRIEGEL: I think we should.

10 MR. KRAVITZ: Let's move on. We will probably
11 end up coming back to some of these areas in any event.

12 BY MR. KRAVITZ:

13 Q Were you present at a meeting at the White House
14 between White House officials and Treasury Department
15 officials on September 29, 1993?

16 A No.

17 Q When was the first time that you learned that
18 that meeting had occurred?

19 A March 1.

20 Q 1994?

21 A March 1, 1994.

22 Q How did you learn about the September 29 meeting

1 on March 1, 1994?

2 A There was a meeting in my office between myself,
3 Bernie Nussbaum. I won't give titles. You know who all
4 these people are. Joel Klein, Cliff Sloan, Neil Eggleston
5 and myself. It was later joined -- I think Bruce Lindsey
6 later joined that meeting. In which the topic of
7 discussion was Mr. Altman's testimony before the Senate
8 Banking Committee on February 24. The issue arose as to
9 whether Mr. Altman's answer to Senator Bond's question was
10 complete as far as the information available to the
11 Treasury Department.

12 Q This was a question relating to whether there had
13 been any additional meetings between Treasury and White
14 House officials in addition to the February 2 meeting?

15 A No. I don't think -- if I could see the
16 transcript.

17 Q I have a copy here.

18 A The question Senator Bond posed -- do you have
19 it?

20 Q I'm not sure if this is a transcript you will be
21 able to find it.

22 A It goes to whether the question of whether anyone

1 from the RTC informed the White House --

2 Q I have the question. Let me just show it to
3 you.

4 A -- about the criminal referrals.

5 Q I'm going to show you a document that is X000011
6 through X000066. There are four tabs on it. This is a
7 transcript of the hearing. I think the final tab is the
8 question that you are referring to. Why don't you take a
9 look at that.

10 (Witness examined the document.)

11 A Senator Bond says how is the -- was it your
12 agency.

13 They were not notified by the RTC, to the best of
14 my knowledge, says Mr. Altman.

15 Senator Bond says nobody in your agency, to the
16 best of your knowledge, advised the White House staff that
17 this could be a major source of concern.

18 Mr. Altman, not to my knowledge.

19 Q For the record, what page did you just read from?

20 A X000059. I may have had one extra zero. I
21 apologize.

22 Q Was this the only series of questions and

1 answers, the ones you just read into the record, at that
2 time were being discussed in your office during that
3 meeting on March 1, 1994?

4 A No.

5 Q Were there other questions and answers that were
6 being discussed at that meeting?

7 A Yes.

8 Q Which questions and answers were those?

9 A I can't refer you to them in the transcript, but
10 there was a question of how the meeting was set up. I
11 believe Mr. Altman testified that he called Bernie Nussbaum
12 and asked -- the meeting occurred on February 2, so I don't
13 have a context here. That was not Mr. Nussbaum's
14 recollection of how the meeting was originated. There was
15 a question of Mr. Altman's description of the substance or
16 is -- getting into debating procedures and substance, but
17 what happened at the meeting on February 2 and the fact
18 that recusal had come up in the context of that meeting but
19 was not reflected in his answer.

20 Q I think what actually makes the most sense is why
21 don't we work a little bit more chronologically.

22 A As opposed to backwards?

1 Q It is interesting, we are doing all these
2 depositions chronologically. I kind of like this. I am a
3 creature of habit. I will come back to --

4 A I thought this was a ploy to get me confused.

5 Q I'm going to come back to this. But that is
6 certainly a meeting we are interested in hearing about in
7 some detail.

8 A All right.

9 Q Did you attend a meeting at the White House
10 between White House and Treasury officials on October 14,
11 1993?

12 A No.

13 Q When was the first time that you heard about that
14 meeting?

15 A To the best of my recollection, it was March 1.

16 Q At the same time that you heard about the
17 September 29 meeting?

18 A Yes.

19 Q Did you attend a meeting at the White House
20 between White House and Treasury officials on February 2,
21 1994?

22 A February 2?

1 Q Right.

2 A No.

3 Q When was the first time you learned of that
4 meeting?

5 A I believe -- I would place it a couple of days
6 before the hearing, I think he.

7 Q Before the February 24 hearing?

8 A Yes. I would say it was probably February 22,
9 maybe February 21. I can't be specific.

10 Q You learned about the February 2 meeting in the
11 context of your preparation for the February 24 oversight
12 board hearings?

13 A Yes.

14 Q Did you attend a meeting on February 3, 1994 at
15 the White House between Mr. Altman and Ms. Hanson and White
16 House staff members relating to Madison and Whitewater?

17 A No.

18 Q When was the first time that you heard about any
19 such meeting?

20 A Not with any relevant time frame.

21 Q Did you learn of this conversation or meeting
22 that occurred on February 3 before the testimony -- before

1 Mr. Altman's testimony on the 24th?

2 A No.

3 Q Had you learned of the February 3 conversation
4 between Mr. Altman, Ms. Hanson and the White House
5 officials as of the meeting that you have described on
6 March 1?

7 A No.

8 Q Did you yourself have any communications relating
9 to the subject of Madison Guaranty or Whitewater
10 Development Corporation with any officials at the Treasury
11 Department before February 2, 1994?

12 A No.

13 Q Did you personally have any communications
14 relating to the subject of Madison Guaranty or the subject
15 of the Whitewater Development Corporation with any
16 officials of the Resolution Trust Corporation before
17 February 2, 1994?

18 A No.

19 Q Did you have any involvement within the White
20 House on the Whitewater issue before February 2, 1994?

21 A No.

22 Q Did there come a time in early 1994 that you

17

1 became aware that the question of whether Mr. Altman should
 2 recuse himself from the RTC's consideration of
 3 Madison-related matters was an issue of interest at the
 4 White House?

5 A What time period are we talking about?

6 Q My question included early 1994, but I suppose if
 7 at any time before then you recognized that issue as an
 8 issue of interest at the White House, I would like to hear
 9 about that as well.

10 MR. KRIEGER: I think again, this is going to
 11 have to be placed in the context of some kind of contact or
 12 communication between the White House and the Treasury
 13 Department.

14 MR. KRAVITZ: I can tell you --

15 THE WITNESS: Let me try to answer it. Prior to
 16 my thinking about preparation for the hearing, the RTC
 17 oversight board hearing that occurred on February 24, I was
 18 unaware of any issue relating to Mr. Altman, the RTC,
 19 recusal.

20 BY MR. KRAVITZ:

21 Q So --

22 A Ms. Tigert -- I can't precisely place this. But

18

1 Ms. Tigert was being pressed to recuse herself by the
 2 minority on the Senate Banking Committee and I would place
 3 it in around the same time that the legislation extending
 4 the statute of limitations passed.

5 Q Mid-February, you mean?

6 A Which was February 11 or 12. I think we are in a
 7 kind of contemporaneous time frame then, around that time.

8 Q When you say around that time, are you saying it
 9 was around the same time as --

10 A I think Ms. Tigert being pressed by the minority
 11 on the Senate Banking Committee to recuse herself occurred
 12 about the same time, if my recollection serves me, that the
 13 legislation extending the statute of limitations passed.

14 Q When in relation to that time, which I think we
 15 all agree was early to mid-February, did you first learn
 16 that Mr. Altman's possible recusal was an issue of interest
 17 at the White House?

18 A I'm not sure I would accept your
 19 characterization.

20 Q Okay. When did you first learn that Mr. Altman
 21 was considering recusing himself?

22 A I didn't know that he was considering recusing

1 himself.

2 Q You have testified that beginning on I think you
3 said February --

4 A I'm trying to stay with you on the time frame
5 here.

6 Q Beginning on February 22, I think you said, you
7 started working on the preparation for the oversight board
8 hearings.

9 A When did you say? February the 2nd? It was
10 earlier than that.

11 Q When did you first start preparing for that?

12 A About, I would say, around -- right after the
13 legislation was signed. So the 14th, the 15th, sometime in
14 there.

15 Q I think what you testified earlier was that on
16 the 22nd of February, that was when you first learned about
17 the February 2 meeting?

18 A Right.

19 Q At that time did you learn that one of the
20 subjects discussed on February 2 was whether or not
21 Mr. Altman would recuse himself?

22 A Not that I recall.

1 Q Did you learn anything about the discussion on
2 February 2 relating to recusal during your preparations for
3 the February 24 hearing?

4 A I can't place that before the hearing. I knew
5 the meeting had occurred.

6 Q But you didn't know what had been discussed?

7 A I knew the statute of limitations had been
8 discussed. But I'm not certain about whether I knew at
9 that time that recusal was discussed.

10 Q Did you --

11 A I could have learned that subsequent to the
12 hearing. I'm not sure.

13 Q Let me see if this will refresh your memory.
14 There has been testimony before the committee that there
15 was a meeting shortly before February 24 at the White House
16 involving Mr. Lindsey, Mr. Nussbaum, Mr. Eggleston and you
17 at which there was a discussion about whether or not
18 Mr. Altman should recuse himself from RTC matters relating
19 to Madison Guaranty and Whitewater.

20 Do you have any recollection of being present at
21 such a meeting?

22 A We had a meeting to discuss -- to sort of be

1 briefed on testimony I think a couple days before the
2 hearing.

3 Q Did the names that I just read off, do those
4 names -- are those names consistent with the people you
5 remember being present at the meeting you are talking
6 about?

7 A Yes. But I'm not sure -- I think that they were
8 all there and there could have been -- I don't have a
9 precise recollection of who was there. I remember Bernie
10 was there, I remember Bruce was there. I don't know if
11 Eggleston was there or not. I couldn't --

12 MR. KRIEDEL: Could you repeat the question that
13 we are discussing here.

14 MR. KRAVITZ: The question was did he attend the
15 meeting shortly before February 24, 1994 along with Bruce
16 Lindsey, Bernie Nussbaum and Neil Eggleston at which the
17 subject of whether or not Mr. Altman should recuse himself
18 was discussed.

19 THE WITNESS: Yes. I may want to take issue with
20 the framework of the question. I don't recall that the
21 discussion was whether or not he should recuse himself. I
22 think he had already made the decision that he wasn't going

1 to recuse himself. We were aware that -- I was aware he
2 had to answer that question.

3 BY MR. KRAVITZ:

4 Q At the February 24 hearing?

5 A At the February 24 hearing.

6 Q What is your best memory as to when this meeting
7 we are talking about took place?

8 A Either the 22nd or the 23rd.

9 Q Of February?

10 A Yes.

11 Q In whose office?

12 A I don't recall. I think it could have been in
13 Maggie Williams's office, but I'm not sure. I don't
14 recall. It was not in my office.

15 Q Was Maggie Williams present for the meeting?

16 A Not that I recall.

17 Q I didn't hear your answer to my question.

18 A I don't think she was there.

19 Q To the best of your memory, what was said at this
20 meeting on February the 22nd or 23rd on the subject of
21 Mr. Altman's recusal, whether it was in the context of a
22 discussion whether he should recuse himself or whether in

1 the context of how he should answer questions relating to
2 his potential recusal?

3 A I actually don't recall that that meeting dealt
4 with that topic in the way you are describing it.

5 Q What do you recall -- let me ask you this.

6 Do you recall the word "recusal" being used at
7 all during that meeting?

8 A It could have been. I don't have a specific
9 recollection. I don't think this was an issue on the
10 table.

11 Q Why do you say that?

12 A Because I think he had decided he wasn't going to
13 recuse himself and he just needed to be able to answer the
14 question.

15 Q What was your basis for understanding as of
16 February 22, February 23, that time period, for
17 understanding that Mr. Altman had already decided not to
18 recuse himself?

19 A In my discussions with Mr. Levy, Mike Levy,
20 Assistant Secretary for Legislation.

21 Q Assistant Secretary of the Treasury?

22 A For Legislation, which were previous to that.

1 The issue had come up that he needed to be able to answer
2 the question on recusal and that Mr. Levy was in charge
3 essentially of the hearing for the Treasury and that he
4 would be prepared on the question. I don't think there was
5 a discussion about whether -- I don't think that there was
6 a discussion at the White House about whether he should
7 reverse that judgment --

8 Q Did you ever have any conversation with Bernie
9 Nussbaum --

10 A -- that I recall.

11 Q Did you ever have any conversation with Bernie
12 Nussbaum on the subject of whether Mr. Altman should or
13 should not recuse himself?

14 A Should or should not?

15 Q Right.

16 A Not that I recall. I want to supplement my
17 answer. Recusal was an issue which we knew was likely to
18 be asked, but the frame of that is --

19 Q At the February 24 hearing?

20 A The way you are asking the question, it is a
21 question of whether we were debating the merits of whether
22 he should or shouldn't recuse himself, and I think that it

1 was an assumption that Mr. Altman had made that decision
2 and that it was his decision.

3 Q Did you ever discuss the subject matter of
4 Mr. Altman's recusal with Mr. Nussbaum, even in the context
5 of how to answer a question on it?

6 MR. KRIEDEL: Are you talking about before the
7 hearing now?

8 MR. KRAVITZ: My question was ever.

9 THE WITNESS: Can you state the question again.

10 BY MR. KRAVITZ:

11 Q Have you ever talked to Bernie Nussbaum about the
12 subject of Mr. Altman's recusal from the RTC on
13 Madison-related matters?

14 A Yes.

15 Q When?

16 A I think it would have been -- well, I have
17 already said we talked about it on March 1. It was part of
18 the context of the question.

19 Q When was the first time you talked to
20 Mr. Nussbaum about this subject?

21 A I don't have a specific recollection.

22 Q Was it before February 24?

1 A I would think it would have been before February
2 24th.

3 Q Might it have been in this February 22 or
4 February 23 meeting that we have talked about?

5 A It could have been, but I'm not certain of that.

6 Q Are there any times earlier than that that you
7 remember talking to Mr. Nussbaum about the subject of
8 Mr. Altman's recusal?

9 A No, not backing up into the previous week.

10 Q Was Mr. Levy the first person you talked to about
11 Mr. Altman's recusal?

12 A To the best of my --

13 MR. KRIEDEL: I'm going to object to the form of
14 the question. I think the testimony has been that the
15 discussion was with respect to Mr. Altman's needing to be
16 prepared to answer a question on the subject and not a
17 discussion about his recusal.

18 MR. KRAVITZ: That's fine.

19 BY MR. KRAVITZ:

20 Q Was Mr. Levy the first person that you talked
21 about the subject of recusal in any context?

22 A Yes. That's the best of my recollection, yes.

27

1 Q What about Bruce Lindsey? Did you ever discuss
2 the subject of a recusal in any context with Mr. Lindsey?

3 A I don't have a specific recollection of
4 discussing recusal with Mr. Lindsey, although I suppose
5 that since I have already said that this could have come up
6 in that meeting and I think Lindsey was in that meeting, it
7 could have come up.

8 Q How about Mr. Eggleston? Did you ever talk to
9 Mr. Eggleston about recusal?

10 A Yes.

11 Q When was that?

12 A I place Mr. Eggleston in that meeting as well.
13 Then Mr. Eggleston brought to my attention that recusal was
14 raised in the February 2 meeting. This would be post
15 February 24. Mr. Eggleston raised the issue of whether
16 Mr. Altman should have raised recusal in his answer to the
17 question of what occurred at the February 2 meeting. I
18 can't precisely place when he said that to me. But it
19 would have been sometime posthearing, post-February 24.

20 Q In the context of discussions on recusal that you
21 either participated in directly or may have been present
22 for, did you ever hear anyone at the White House talk about

28

1 the officials at the RTC who would be left in
2 decisionmaking positions on Madison-related matters in the
3 event that Mr. Altman did recuse himself?

4 A I recall the people who -- no, not in that
5 context. I don't recall that.

6 Q Does the name Ellen Kulka mean anything to you?

7 A Yes.

8 Q What does that name mean to you?

9 A I believe she is the general counsel of the RTC.

10 Q Were you aware that Ms. Kulka was the general
11 counsel at the RTC back in February of 1994?

12 A Yes.

13 Q Did you have any conversation with Bernie
14 Nussbaum about Ms. Kulka at any time in January or February
15 of 1994?

16 A In?

17 Q January or February of 1994.

18 A No. I never -- I don't believe I had a
19 conversation with Mr. Nussbaum, as I think I previously
20 testified to, about any of this prior to the week that the
21 hearing occurred in, so it would have been February 21.

22 Her name came up I think in the context of this

1 meeting.

2 Q In the meeting on February 22?

3 A February 22.

4 Q This is the meeting with Mr. Lindsey,
5 Mr. Eggleston, Mr. Nussbaum and you that we have been
6 talking about?

7 A Yes.

8 Q In what context did Ellen Kulka's name come up
9 during that meeting?

10 A Mr. Nussbaum raised it.

11 Q Do you remember what he said?

12 A He seemed to have -- I was under the impression
13 that he had had previous dealings with her.

14 Q Why do you say that?

15 A It may be -- I'm not certain that he had, but it
16 was my impression that he had had previous dealings with
17 her. I was aware that Mr. Nussbaum had represented Kaye,
18 Scholer.

19 Q Was that Kaye, Scholer, a New York law firm, in
20 litigation --

21 A Yes, in litigation involving the OTS, I think,
22 which is where Ms. Kulka had previously come from. It may

30

1 have been an assumption on my part. I don't really have
2 any firsthand knowledge that he did know her. But I think
3 that he, at that meeting, expressed some concern with her
4 impartiality and fairness.

5 Q What exactly did Mr. Nussbaum say about
6 Ms. Kulka?

7 A My only specific recollection was that he
8 repeated her name a few times.

9 Q What do you mean? Tell us what you mean?

10 A I mean that he said "Ellen Kulka, Ellen Kulka."
11 That's all I remember.

12 Q Was it just in the context of anything? He
13 wasn't just standing off in the corner repeating her name,
14 was he?

15 A No. It was in the context of the meeting. It
16 sticks in my mind he may have repeated her name a couple
17 times.

18 Q What did Mr. Nussbaum say or do that made you
19 think that he did not respect her impartiality?

20 A I don't specifically recall the conversation, but
21 I think that was the tone or the gist of comments he made.

22 Q Is it fair to say that these comments that

1 Mr. Nussbaum made that gave you the sense that he did not
2 think Ms. Kulka was impartial were in the context of what
3 Ms. Kulka would be doing at the RTC regarding the Madison
4 case?

5 A I think he had general concern about her as the
6 RTC general counsel across the board.

7 Q But on February 22, 1994, as you were preparing
8 for the oversight board hearings two days later, you
9 weren't talking about what the RTC was doing in other cases
10 with regard to Ms. Kulka, were you?

11 A No.

12 Q You were talking about the Madison case more
13 specifically, weren't you?

14 A We weren't really specifically talking about the
15 Madison case.

16 Q The reason you, Mr. Lindsey, Mr. Nussbaum and
17 Mr. Eggleston were there was to figure out how -- was to
18 prepare for the testimony that was to be made two days
19 later --

20 MR. KRIEGER: That's a statement, not a
21 question.

22 MR. KRAVITZ: I can ask a leading question. I

1 would prefer if you not interrupt me in the middle.

2 BY MR. KRAVITZ:

3 Q The reason you, Mr. Lindsey, Mr. Eggleston and
4 Mr. Nussbaum were all there, four high-level officials at
5 the White House, was not to discuss nonMadison related
6 matters at the RTC, was it?

7 A It was to discuss the hearing.

8 Q And to discuss issues related to Madison?

9 A It wasn't to discuss Madison-related matters. It
10 was to discuss the hearing.

11 Q But you understood that a lot of the hearing was
12 going to focus on Madison-related matters, didn't you?

13 A It was my hope that the hearing would be broad
14 and fair and deal with all matters involving the RTC.

15 Q But you expected that the hearing would focus on
16 Madison-related matters, didn't you?

17 A We expected that Madison-related matters would
18 come up.

19 Q And would be a major part of the hearing?

20 A It was our hope that it would be -- that it would
21 be fair and even and deal with RTC oversight, which was the
22 subject matter of the hearing.

1 Q I didn't ask you what you hoped. I asked you
2 what you expected.

3 A I didn't know what to expect. It depended on the
4 Senators.

5 Q Isn't it fair to say that the reason that these
6 hearings attracted the attention of four high-level staff
7 members at the White House such as you, Mr. Lindsey,
8 Mr. Nussbaum, Mr. Eggleston was that there was a concern
9 that the hearing two days later was going to focus a lot on
10 Madison-related issues?

11 A I think that there was a concern that -- I told
12 you what I hoped. I think there was a concern that they be
13 broad and fair. Are you asking me whether we thought that
14 there were going to be questions about Madison-related
15 issues? Yes.

16 Q I am asking you what I think is a pretty simple
17 question, which is whether you expected that a lot of the
18 hearing was going to focus on Madison-related issues at
19 that point?

20 A I think we weren't sure at that point. You are
21 asking a characterization of proportionality. I think at
22 that point we weren't sure. We knew the question would

1 come up.

2 Q Did you ask Mr. Nussbaum what he meant when he
3 said whatever it was that gave you the impression that he
4 thought Ms. Kulka was not impartial?

5 A Not that I recall.

6 Q Did anyone else?

7 A I don't recall.

8 Q And your testimony is that you don't remember
9 right now whether Mr. Nussbaum's comments on Kulka's
10 impartiality were directly in the context about discussions
11 about Madison as opposed to the RTC's work generally?

12 A I think he was -- no. I think it was my
13 impression that he thought that there was a concern across
14 the board.

15 Q Isn't it true that Mr. Nussbaum expressed concern
16 about Ms. Kulka's impartiality in the context of who would
17 be left at the RTC making decisions in the Madison case in
18 the event that Mr. Altman ended up recusing himself?

19 MR. KRIEDEL: This has been asked and answered a
20 half a dozen times.

21 MR. KRAVITZ: It has been asked. I don't think
22 it has been answered. If you want to instruct him not to

1 answer, you can do that.

2 THE WITNESS: I don't recall this coming up in
3 the context of recusal.

4 BY MR. KRAVITZ:

5 Q Do you have any notes from that February 22
6 meeting you have been describing?

7 A No.

8 Q Do you know if anyone else took any notes during
9 that meeting?

10 A You would know that from what I think we have
11 produced. I don't know.

12 Q Does the name Jack Ryan mean anything to you?

13 A Yes.

14 Q Who is Mr. Ryan?

15 A Another senior level person at the RTC. I think
16 he is the -- does the RTC have a president? He is the vice
17 president. I think he runs it now.

18 Q Your understanding is as of February 1994,
19 Mr. Ryan was the acting deputy CEO at the RTC?

20 A You have refreshed my recollection. Yes. In
21 February 1994 I think he was the acting deputy CEO.

22 Q Was Mr. Ryan's name discussed at all during that

1 February 22 meeting you have testified about?

2 A It could have come up. I remember Kulka more
3 than I remember Ryan. It may have been both of them. I
4 don't have a specific recollection.

5 Q Do you remember any concerns being stated at that
6 meeting on February 22 about Jack Ryan's impartiality?

7 A Again, my recollection was it focused on Kulka.
8 I am not certain about that.

9 Q Did Mr. Lindsey say anything at the February 22
10 meeting about Ellen Kulka?

11 A Not that I recall.

12 Q Did anyone respond at all to Mr. Nussbaum's
13 concerns?

14 A I don't recall.

15 Q Do you remember whether Mr. Nussbaum said
16 anything at that meeting --

17 MR. KRIEGEL: Is this going to be tied to
18 contacts between the White House and Treasury?

19 MR. KRAVITZ: I can tell you it is intimately
20 tied with contacts between the White House and Treasury in
21 a lot of other testimony. Whether it is specifically tied
22 to any contacts that this witness had with the Treasury is

1 really not relevant to whether it ends up being permissible
2 at this deposition. But I can tell you and I think
3 Mr. Braunreuther would agree, it is very relevant and very
4 closely tied to other testimony that is before the
5 committee.

6 MR. BRAUNREUTHER: I agree.

7 MR. KRIEGEL: But is it going to be tied with
8 respect to this witness's testimony to some contact between
9 the White House and Treasury?

10 MR. BRAUNREUTHER: It is directly relevant to the
11 issues which fall within the scope of the resolution.

12 MR. KRIEGEL: Why don't you just go on with your
13 questioning.

14 MR. KRAVITZ: The point is even if it is not
15 directly tied to a contact that Mr. Podesta himself had,
16 that doesn't mean that we can't go into it.

17 MR. KRIEGEL: Had or has knowledge of.

18 MR. KRAVITZ: I don't think that is part of our
19 standard. As long as it is relevant to contacts other
20 people had. And the people I'm asking about in this
21 meeting are among people who have had these contacts that
22 are being investigated.

1 BY MR. KRAVITZ:

2 Q During the February 22 meeting that you have
3 testified about, did anyone say anything that indicated in
4 any way that Mr. Altman had been pressured to make the
5 decision not to recuse himself?

6 A Not that I recall.

7 Q Have you heard anything -- have you heard anyone
8 say anything at the White House at any time that would
9 indicate that Mr. Altman had been pressured not to recuse
10 himself?

11 A No. Can I be in the relevant time frame here?

12 Q My question was at any time have you heard anyone
13 say anything at the White House that you interpret as
14 indicating that Mr. Altman had been pressured into deciding
15 not to recuse himself.

16 MR. KRIEGEL: We are not going to answer any
17 questions that relate to any discussions Mr. Podesta may
18 have had in anticipation of these hearings. If you want to
19 ask --

20 MR. KRAVITZ: Any conversations that he may have
21 had with who?

22 MR. KRIEGEL: With anyone at the White House or

1 with counsel in preparation for these hearings. If you
2 want to ask --

3 MR. KRAVITZ: I can understand you don't want him
4 to answer questions about his conversations with you. I
5 quite frankly can't figure out any basis for saying he
6 won't answer questions about conversations he had had with
7 other members of the White House in preparation for these
8 hearings.

9 MR. KRIEGEL: It is my understanding that from
10 the perspective of the White House, any discussions that
11 were held in anticipation of these hearings are covered by
12 the executive privilege and are not to be inquired into.

13 MR. KRAVITZ: Have you heard anything about
14 that? This is the first we have heard about that.

15 MR. KRIEGEL: If you want to ask questions about
16 anything that he has heard outside of that context, that's
17 fine.

18 MR. KRAVITZ: Who has told you about this claim
19 of executive privilege? This is the first time we heard
20 about it.

21 MR. KRIEGEL: My understanding from the White
22 House counsel's office is if there are discussions that go

1 to these hearings, that those discussions are covered by
2 that privilege.

3 MR. KRAVITZ: Can you tell me who told you that?

4 MR. KRIEGEL: You can discuss it with the White
5 House counsel's office.

6 MR. BRAUNREUTHER: Just so we understand. You
7 have instructions from White House counsel's office not to
8 answer questions along this line based on executive
9 privilege?

10 MR. KRIEGEL: Not along this line. I am just
11 telling you that if there were discussions about what may
12 or may not have happened in anticipation of these hearings,
13 my understanding is that those discussions are covered by
14 that privilege.

15 MR. BRAUNREUTHER: If Neil Eggleston -- this is
16 purely hypothetical to explore the scope of your
17 objection. If Neil Eggleston last night said to a witness
18 we put a lot of pressure on Altman to recuse himself, that
19 would be objectionable, based on executive privilege? I'm
20 not saying that occurred. If I understand your objection,
21 it would encompass those types of things.

22 MR. KRIEGEL: If it was in anticipation of these

1 hearings, then the answer would be yes.

2 MR. BRAUNREUTHER: If somebody said to the
3 witness don't tell them that we put pressure on Roger
4 Altman to recuse himself, that would be clearly in
5 anticipation of the hearings and therefore based on what
6 you said within the scope of your objection?

7 MR. KRIEGEL: I'm not going to answer
8 hypothetical questions.

9 MR. BRAUNREUTHER: There is a real question
10 pending by Mr. Kravitz which asked whether he had any
11 contacts with anybody regarding pressure on Mr. Altman to
12 recuse himself or not to. You have instructed the witness,
13 as far as I understand, not to answer based on your
14 objection. This is not an issue just for myself and
15 Mr. Kravitz. I only want the record to reflect what the
16 nature of the objection is. We don't have the authority to
17 decide it. I want to be able to go back to special counsel
18 and accurately report and I don't want to misstate what you
19 said.

20 So you are welcome to clarify the scope of your
21 objection. We will abide, for purposes of this deposition,
22 to the parameters which you want us to abide by at this

1 time, but I can tell you that this is a novel invocation of
2 the privilege and an objection which we have not
3 encountered in the way that you have articulated it or
4 similarly in other depositions.

5 MR. KRIEGEL: I don't know whether the witness
6 has any information one way or the other on this subject.

7 MR. BRAUNREUTHER: That's why we asked the
8 question.

9 MR. KRIEGEL: In the context of any meetings that
10 were had in anticipation of these hearings. To the extent
11 he has any knowledge outside of that context, he can answer
12 the question.

13 MR. KRAVITZ: Let's ask the court reporter to
14 read the question back, if she can find it. Why don't you
15 state your objection and we will see where we stand.

16 (The reporter read the record as requested.)

17 MR. KRIEGEL: I believe I have stated my
18 objection. To the extent that that question includes any
19 discussions that may have been had in anticipation of these
20 hearings, my understanding is that we are not permitted to
21 answer those questions.

22 MR. KRAVITZ: So the record is complete, when you

1 say "these hearings" you are referring to the upcoming
2 Senate hearings?

3 MR. KRIEGEL: Yes.

4 MR. KRAVITZ: Are you giving your client any
5 advice or instructions?

6 MR. KRIEGEL: Yes. To answer the question,
7 limiting his answer to any knowledge he has outside of that
8 context.

9 THE WITNESS: I hate to do this to you. Will you
10 repeat it one more time?

11 (The reporter read the record as requested.)

12 THE WITNESS: Not that I recall. I have no
13 specific recollection of that coming up as limited by
14 counsel.

15 MR. KRAVITZ: I understand you are going to
16 object to this question. I want the record to be clear.
17 I'm going to ask a follow-up question.

18 BY MR. KRAVITZ:

19 Q In any conversations that you have had at the
20 White House in anticipation of the upcoming Senate hearings
21 on Whitewater, has anyone said anything in your presence
22 that indicates that Mr. Altman was pressured in any way to

1 make a decision not to recuse himself?

2 MR. KRIEGEL: I restate my objection to the
3 question.

4 MR. KRAVITZ: Are you instructing your client not
5 to answer?

6 MR. KRIEGEL: I am.

7 MR. KRAVITZ:

8 MR. BRAUNREUTHER: That objection is based on
9 executive privilege; correct?

10 MR. KRIEGEL: Correct.

11 MR. KRAVITZ: Why don't we take a five-minute
12 break and we will come back.

13 MR. KRIEGEL: Yes.

14 (Recess.)

15 BY MR. KRAVITZ:

16 Q Mr. Podesta, is there anything you would like to
17 add to these answers?

18 A No.

19 Q We have been talking a little bit about some of
20 the work that you did in preparation for the oversight
21 board hearing on February 24, 1994.

22 Did you have a particular role as point person or

1 anything like that at the White House in terms of
2 preparation for these hearings?

3 A I was asked again around February 12th or 13th to
4 work on the hearings.

5 Q Who asked you to do that?

6 A I believe Mr. McLarty and Mr. Griffin, who was
7 our new head of legislative affairs. Howard Pastor had
8 left at the end of the year and Mr. Griffin had just taken
9 on the assignment.

10 Q What exactly did Mr. McLarty and Mr. Griffin ask
11 you to do?

12 A They asked me at first just to get in and kind of
13 scope out what was going on on the Hill with regard to
14 these hearings. I think at the time that I first began to
15 work on it I think there was anticipation there would be
16 hearings in both the House and Senate Banking Committees
17 and to see if we could develop any strategy to make sure
18 that they were fair and broad-based.

19 Q Were there any concerns, any particular concerns
20 that Mr. McLarty or Mr. Griffin expressed to you during
21 this time period about the hearings?

22 A I think that we understood that they were going

1 to be used as I think an opportunity especially by the
2 minority side to attack the administration and raise the
3 Madison Guaranty issue. We were hoping for breadth and
4 fairness.

5 Q Were any other particular concerns?

6 A I think they basically handed it off to me.

7 Q Was the recusal issue something that you thought
8 in terms of your conversations initially with Mr. McLarty
9 and Mr. Griffin, was that mentioned as something they were
10 particularly concerned about being a problem at the
11 hearings?

12 A I think that both Mr. Griffin and I were aware.
13 I don't ever recall any specific conversation with
14 Mr. McLarty about this; we're aware that this would likely
15 be raised and probed. When I say "recusal," again, I want
16 to put it in the context of this had become kind of a hot
17 issue, if you will, less hot than these hearings, with
18 Ricky Tigert. So we were aware that she was being pressed
19 hard on the recusal point and that Roger would probably be
20 pressed hard on the recusal point.

21 Q Was this something you talked about with
22 Mr. Griffin at the time that you were first given this

1 assignment?

2 A I don't really have a specific recollection of
3 that. It is a little bit of a blur, but I think we
4 probably talked about it.

5 Q You think you probably did talk about it when you
6 were first given the assignment?

7 A No, at some point. I mean, we are only talking
8 about a two-week time span here. I don't know whether it
9 was on the first day or it was -- the first day of the
10 second week.

11 Q Tell me this, throughout the time that you were
12 preparing for the February 24 hearing, was it your
13 understanding that Mr. Altman was not going to recuse
14 himself and that a decision in that regard had been made?

15 A Yes.

16 Q It was never your understanding during that
17 two-week period you have testified about that Mr. Altman
18 was undecided?

19 A It was never my understanding.

20 Q What was the basis of your understanding during
21 that two-week period that Mr. Altman had already decided
22 not to recuse himself?

1 A I think Mr. Levy raised that with me.

2 Q Mr. Levy is Assistant Secretary of the Treasury
3 for Legislative Affairs?

4 A Yes.

5 Q When did you first speak with Mr. Levy relating
6 to the February 24 hearings?

7 A I'm not precise about it. I had a meeting with
8 him. I think I must have set up the meeting by having a
9 phone call with him prior to that. I have a calendar which
10 notes the meeting. I think it is on the 15th.

11 Q Let me show you your calendar and ask if it
12 refreshes your memory. These are documents stamped X001044
13 through X001046. Do you recognize what that is?

14 A Yes.

15 Q What is it?

16 A It is my calendar.

17 Q Does it refresh your memory as to when you met
18 with Mr. Levy?

19 A Yes. On the 15th.

20 Q Of February 1994?

21 A Yes. I assume I talked to him before the
22 meeting.

1 MR. BRAUNREUTHER: Off the record for a second.

2 (Discussion off the record.)

3 BY MR. KRAVITZ:

4 Q You say you assumed that you had a telephone call
5 with --

6 A I don't recall it, but there is a meeting that
7 got set up. I assume that it wasn't just transacted
8 through secretaries. I think a call had been sent over.

9 Q Who initiated the meeting on the 15th?

10 A I did.

11 Q What was your purpose in meeting with Mr. Levy?

12 A Just to get up to speed on what these hearings
13 were about, what was going to happen. As I recall, we
14 spent the bulk of the time with him walking me through what
15 the RTC oversight board was, what its functions were, who
16 were members of it, et cetera, and therefore who the
17 witnesses would be at the witness table.

18 Q Was this conversation that you had with Mr. Levy
19 just between the two of you on the 15th of February?

20 A I think Neil Eggleston was there.

21 Q Was it in the White House?

22 A Yes, in my office.

1 Q You testified Mr. Levy was giving you some
2 background information about the oversight board for the
3 RTC?

4 A Right.

5 Q Was one of the things Mr. Levy told you that the
6 oversight board was prohibited from being involved in case
7 specific matters at the RTC?

8 A Yes.

9 Q Other than Mr. Levy providing background
10 information about the RTC oversight board, was there any
11 discussion on that meeting on February 15 regarding
12 planning for or strategizing for the upcoming oversight
13 board hearings before the Senate Banking Committee?

14 A I don't specifically recall or distinctly recall
15 what happened in that meeting. I am sure that I talked to
16 Mr. Levy once or twice by telephone after that. So I can't
17 separate the topics between this happened in this meeting
18 and that happened in that.

19 I don't recall, but we talked generally about
20 strategy. We talked a little bit about procedural issues
21 involving calling of witnesses, et cetera, what was the
22 scope of the matter that was before the Banking Committee.

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1 As I think you are aware, this hearing was part of the
2 legislation that the Banking Committee would hold oversight
3 hearings. We talked a little bit about the procedures and
4 we talked about making sure the scope was broad and fair.

5 Q What was your conversation with Mr. Levy at the
6 meeting on February 15 relating to the general strategy
7 that you referred to?

8 A I kind of just described it, I think, that there
9 be at least some attention paid, hopefully the majority of
10 the attention paid to the oversight board's function and
11 the RTC's handling of its duties under the statute broadly
12 across the country with regard to all S&Ls, to talk about
13 what the chairmanship of the agency was as we inherited it,
14 what we had done to make progress on the RTC. The
15 administration, I believe -- now I'm in the world of
16 vague -- but I think the administration saw to the
17 additional funds that got the cleanup going again, et
18 cetera. We wanted to keep it broad.

19 Q As you were discussing with Mr. Levy and
20 Mr. Eggleston on the 15th of February what the
21 administration had done to get the RTC moving, was there
22 any discussion of the appointment of Ellen Kulka as the new

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1 general counsel or about the appointment of Jack Ryan as
2 the new deputy CEO at the RTC?

3 A I don't recall that. I don't recall it.

4 Q Wouldn't that likely have been part of the
5 conversation about what the administration had done to get
6 the RTC going?

7 MR. KRIEDEL: That is a hypothetical.

8 MR. KRAVITZ: It is not a hypothetical.

9 THE WITNESS: You are asking me to recall
10 something I don't recall. It sort of seems implausible to
11 me. I don't remember it in the conversation.

12 BY MR. KRAVITZ:

13 Q Was there any agreement at the end of this
14 meeting as to who was going to do what from that point on
15 up until the hearings?

16 A I'm still thinking about your last question. I
17 just don't recall whether Levy and I talked about it or
18 not.

19 Q Talked about Ryan and Kulka?

20 A Yes.

21 Q What did you know that you were going to do or
22 you needed to do between the end of that meeting on the

1 15th and the beginning of the hearings on the 24th at the
2 end of the hearing?

3 A This was a majority amount of my time that I was
4 spending on it. I had a couple meetings on the Hill again
5 to try to understand the scope of the hearing and to
6 understand the rules better, both on the House and Senate
7 side. What I concentrated on was trying to make sure
8 mostly just by checking with Mr. Levy that they were
9 prepared to answer the questions that were likely to be
10 asked and to try to work with him and with people -- to try
11 to develop story lines other than Madison.

12 As I previously said, we expected questions about
13 Madison to come up there.

14 Q Does the RTC have an official who is in charge of
15 legislative affairs?

16 A I don't know.

17 Q Did you ever contact anyone at the RTC in
18 preparation for the February 24 hearing?

19 A No.

20 Q Why did you only contact people at the Treasury
21 Department rather than people -- strike that.

22 Why did you contact people at the Treasury

1 Department instead of people at the RTC in your preparation
2 for the February 24 hearings?

3 A I think we were hoping that Bentsen was --
4 Secretary Bentsen as the chairman of the oversight would be
5 the primary witness.

6 Q You were hoping he would be the primary witness?

7 A I think we thought that was an appropriate point
8 of contact.

9 Q Was that as a result of the fact that you did not
10 want the hearings to focus on Roger Altman?

11 A No. It was that we didn't want -- we wanted the
12 hearings to be broad. I can't remember precisely why. I
13 know Levy. I have worked with him before.

14 Q You mentioned previously that you think you spoke
15 with Levy by telephone a couple of times after the 15th of
16 February; is that right?

17 A Yes.

18 Q Let me show you your telephone logs and ask you
19 if it refreshes your memory as to whether in fact you spoke
20 with Levy more than a couple of times between February 15
21 and February 24, if I can get the pages to direct your
22 attention to.

1 I show you pages X000187 through X000191.

2 A Okay.

3 Q Can you tell us what those pages are, first of
4 all?

5 A They are my telephone call sheets. These are
6 incoming calls to me. I don't log -- these are not
7 reflective of calls that I have placed.

8 Q Are those reflective of messages that were left
9 for you?

10 A Yes.

11 Q Or actually of calls that you were able to take?

12 A Messages left for me. This would indicate that I
13 did not talk to the person, but that a message was left to
14 return the call.

15 Q Does that refresh your memory as to whether you
16 talked to Mr. Levy more than a couple of times between
17 February 15 and February 24?

18 A Well, maybe the characterization -- I might have
19 talked to him three or four times.

20 Q What did you talk to Mr. Levy about on those
21 three or four occasions?

22 A I can't separate specific conversations. There

1 is a note on the log, if you want to give it back to me,
2 but generally it was kind of hearing prep and what he was
3 hearing on the Hill, what was likely to come up and whether
4 preparations were proceeding to make sure the testimony was
5 strong.

6 Q What did Mr. Levy tell you he was hearing on the
7 Hill?

8 A I think at that time we had a couple of
9 conversations about whether there would be a second day of
10 hearings requested by the minority. We had some
11 conversations about that or at least a conversation about
12 that. I don't know if there were more than one. I think
13 that he was anticipating that the Republicans would focus
14 the questioning on Madison.

15 Q Anything else that Mr. Levy told you he was
16 hearing on the Hill?

17 A Well, we may have also been talking -- the
18 hearing ended up being only on the Senate side at that
19 time. I assume that at some point he probably told me
20 about the House hearing.

21 Q Is it fair to say that based on your
22 conversations with Mr. Levy, that you did expect that a

1 substantial part of the hearing was going to focus on
2 Madison?

3 A We expected that the Republicans were going to
4 focus their questions on Madison.

5 Q That they were a substantial part of the people
6 asking questions, weren't they?

7 A They would be half or almost thereabout.

8 Q Is it fair to say that based on your
9 conversations with Mr. Levy, you expected that a
10 substantial part of the February 24 hearing would focus on
11 Madison?

12 A I have answered this question already. It was
13 our plan to try to keep it broad, keep it fair. We
14 expected the Republicans to ask questions about Madison.
15 We assumed that they would ask questions about other things
16 as well. There was a lot of -- as you know, there are
17 numerous members of the oversight board, including the
18 chairman of the Federal Reserve.

19 So we are quibbling about whether there were
20 going to be a lot of questions about Madison, I think we
21 felt there would be a lot of questions about Madison. If
22 you want me to -- I'm telling you, I think, our sort of

1 work I think was directed towards making sure that it was
2 broader than that and included everything that we could --
3 that our record of running the RTC would be on the table as
4 well, which was the focus of the oversight board hearing.

5 Q Did you indicate that there was a note on one of
6 these?

7 A I did.

8 Q What were you referring to? If you can tell us
9 the page number?

10 A X000189.

11 Q What note are you referring to?

12 A It is underneath a call to Mr. Levy that says
13 "Jean Hanson, Q and A."

14 Q What does that refer to?

15 A I don't remember whether I asked the question or
16 he volunteered it. I don't remember precisely how it came
17 up. He told me that Jean Hanson was preparing the
18 questions and answers for the Treasury witnesses, which
19 would have included Mr. Altman.

20 Q Did you -- and Mr. Bentsen as well?

21 A And the Secretary as well.

22 Q Did you ask Mr. Levy whether you could receive

1 copies of the various drafts of Qs and As that were being
2 prepared at the Treasury Department?

3 A I don't believe I asked him that, no.

4 Q Did Mr. Levy offer to provide them to you?

5 A I have no recollection of that.

6 Q Do you know whether you ever reviewed Qs and As
7 before the February 24 hearing that were prepared at the
8 Treasury Department?

9 A I did not.

10 Q Do you know whether anybody else at the White
11 House did?

12 A My deputy, whose name is Todd Stern, received a
13 briefing book for the hearing which included the testimony
14 as well as Q and As. I don't know whether he reviewed the
15 Q and As. He did review the testimony.

16 Q Do you know if anyone else reviewed the Q and As
17 at the White House?

18 A Not to my knowledge.

19 Q Your telephone logs also indicate that you had or
20 at least received telephone calls from Josh Steiner.

21 A I need to add something to the question.

22 Q Sure. You mean to a previous answer?

1 A I need to put a time frame on this. I didn't
2 review the Q and As in advance of the hearing. I looked at
3 the Q and A which I think was the first time I knew we had
4 the Q and As after the hearing the following week.

5 Q When you were reviewing the accuracy of
6 Mr. Altman's testimony?

7 A Yes.

8 Q Your telephone logs also indicate that you
9 received telephone calls from Josh Steiner on February 23
10 and February 24. Let me see if I can find that. February
11 23 at 6:05 and is that is on page X000192. On page X000193
12 it says "February 22 or February 23" and the time is not
13 readable. And another message from Mr. Steiner on February
14 23, page X194, at 7:35 and then the final telephone message
15 from Mr. Steiner on February 24 at 6:57 p.m., page
16 X000195.

17 A Yes.

18 Q Did you speak with Mr. Steiner on February 22 or
19 February 23?

20 A Yes.

21 Q What was that conversation? How many times did
22 you speak with him on those days?

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1 A I spoke with Mr. Steiner prior to the hearing, I
2 believe a couple of times. I don't have a distinct
3 recollection of a conversation on this day, a conversation
4 on that day, et cetera. I think I talked to him a couple
5 times before the hearing.

6 The first time we spoke -- I can't separate these
7 conversations precisely, but I remember that the first time
8 I talked to him, and I think the reason I talked to him, I
9 think I initiated the call -- was that I wanted to make
10 sure that the Secretary, again in the interest of trying to
11 keep this thing broad-based and fair, on multiple topics
12 would take an aggressive role in testifying and answering
13 questions. I was calling Mr. Steiner because Mr. Steiner
14 at the time was chief of staff.

15 Q What did you mean when you said you were hoping
16 Mr. Bentsen would take an "aggressive" approach?

17 A That he would be the primary witness as chairman
18 of the oversight board.

19 Q That's all you mean by the adjective
20 "aggressive"?

21 A Yes.

22 Q Was that the nature of all of your

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1 pre-February 24 telephone conversations with Mr. Steiner?

2 A No. I think other topics came up. Again, I'm
3 vague. I don't have a specific recollection of either the
4 specific calls, but I believe that I raised with him -- I'm
5 not certain about this -- but I believe I raised with him
6 the February 2 meeting. Let me give some context to that.
7 I learned about the February 22 meeting, I think I already
8 testified to this --

9 Q You mean February 22 meeting?

10 A Yes, on or about February 22 or February 23. And
11 I wanted to make sure Roger Altman was prepared to answer a
12 question about it, that they had gone through a Q and A
13 with him. I think I told that to Mr. Steiner. I think it
14 was me and I think it was Mr. Steiner only because he was
15 probably at the other end of the phone.

16 Q Did you review specific Qs and As about the
17 February 22 meeting with Mr. Steiner?

18 A I did not.

19 Q Did you ever have any actual conversation with
20 Jean Hanson during this two-week period before February 24?

21 A Not that I recall. I don't ever recall talking
22 to Jean Hanson.

1 Q You don't -- at any time?
 2 A Any time ever.
 3 MR. KRAVITZ: Let me show you what has been
 4 marked as X 000075 and ask if you know what that is.
 5 (Witness examined the document.)
 6 THE WITNESS: Can I ask you a question?
 7 MR. KRIEDEL: Yes.
 8 (Recess.)
 9 BY MR. KRAVITZ:
 10 Q I think the question was whether you knew what
 11 that document was.
 12 A Yes.
 13 Q What is it?
 14 A It is a -- I read the style on the top, "Senate
 15 Banking Committee Hearing To-Do List."
 16 Q Have you ever seen that document before?
 17 A Yes.
 18 Q Did you prepare that document?
 19 A I did not.
 20 Q Were you involved in the preparation?
 21 A No.
 22 Q Do you know who did prepare that document?

1 A Yes.
 2 Q Who?
 3 A My deputy.
 4 Q Todd Stern?
 5 A Yes.
 6 Q Did you see that document before February 24,
 7 1994?
 8 A I assume I did. I don't have a specific
 9 recollection of looking at it. I think he would have given
 10 it to me.
 11 Q Is that the kind of document that would have been
 12 prepared for your use?
 13 A No. It was probably prepared for his use.
 14 Q Whose handwriting is on the top?
 15 A His.
 16 Q Can you read it? You probably have more
 17 experience reading his handwriting than we do.
 18 A "Do inoculating Qs." I assume questions. I
 19 can't read the parenthetical. It says "re: RTC, maybe
 20 FDIC recusal, et cetera."
 21 Q Is "inoculating Qs" a term of art used within
 22 your office?

1 A No.

2 Q Do you know what that means?

3 A No.

4 Q You have no idea?

5 A No. Well -- I don't know. Ask him. I don't
6 know.

7 Q The top bullet here on page X000075, the to-do
8 list for the Senate Banking Committee hearing refers to
9 preparing witnesses for GOP questioning and then has a list
10 of key topics.

11 A Yes.

12 Q One of those four -- one of the four topics
13 within that first bullet is, according to this document,
14 "Altman's failure to recuse himself"; is that right?

15 A Yes.

16 Q At the top of the bullet says "prepare witnesses
17 (especially Altman and Hove." Who is Hove?

18 A Hove is another member of the RTC oversight board
19 who I can't recall. You can refresh my recollection and we
20 can kind of get at it.

21 Q Let me ask you more specific --

22 A He was a witness. I think he is from the FDIC,

1 but I can't remember.

2 Q Did you or anyone else, to your knowledge,
3 actually prepare Mr. Altman for a GOP questioning on the
4 key topics, including his failure to recuse himself, that
5 are listed on page X000075?

6 A I did not. Did you ask did you or anyone to my
7 knowledge?

8 Q Yes.

9 A I assume the Treasury people did.

10 Q Do you know if anyone from the White House had
11 any contact with Mr. Altman relating to his testimony on
12 the subjects listed on page X000075?

13 A Not to my knowledge.

14 Q And you say that you assume that the Treasury
15 people did, but you don't know?

16 A Well, I never talked to Mr. Altman. I believe --
17 I assume that they did. I don't have any firsthand
18 knowledge, certainly. I mean, the context of this would be
19 Levy saying we are preparing him or whatever. So I assume
20 that -- I don't know if that is an issue, but I assume that
21 he was prepared, similarly with Secretary Bentsen.

22 Q Now, are your initials JDP?

1 A They are.

2 Q You are down here as being assigned to line up a
3 Senator or two, example, Boxer, Murray, Sarbanes to
4 counterpunch. What did that mean?

5 A That meant that we were concerned that again this
6 hearing be broad and that the management of the RTC and the
7 cleanup effort predating the RTC be put in some context so
8 that the hearing would have a context.

9 Q What does that have to do with counterpunching?

10 MR. KRIEGEL: These are contacts or potential
11 contacts with members of the Hill, not with members of the
12 RTC and Treasury.

13 MR. KRAVITZ: It is clear from this Document
14 X000075 that this document was prepared either during the
15 contact between White House and Treasury officials or
16 certainly in contemplation of further contacts between
17 White House and Treasury officials. If you look at it, you
18 can see that there are assignments made to Treasury
19 officials. There are assignments made to White House
20 officials. This document itself is clearly a contact
21 between the White House and Treasury officials.

22 MR. KRIEGEL: That's your characterization of

1 it. The item you are asking about and the activity you are
2 asking about has nothing to do with White House-Treasury
3 contacts regarding Madison.

4 BY MR. KRAVITZ:

5 Q You told me that your assumption was that
6 Mr. Stern prepared this.

7 A Yes.

8 Q Is it also your assumption that Mr. Stern
9 prepared this document in consultation with people at the
10 Treasury Department?

11 A I don't recall that.

12 Q You would agree with me that there are
13 assignments here both for people at the Treasury Department
14 and for people at the White House?

15 A No. I think that there is a distribution of
16 authority. I don't know -- Mr. Stern was in no position to
17 assign Mr. Levy to do anything, and I didn't assign
18 Mr. Levy. I think they were saying they are doing this, we
19 are doing that.

20 Q Who would have made that distribution of
21 authority?

22 A I think it would have been in conversations

1 probably -- this could have come up in my conversations
2 with Mr. Levy, although I don't specifically recall that.

3 Q Do you know when --

4 A This is a fairly -- I think it is fairly clear
5 what is on what side of the line there.

6 Q What do you mean?

7 A Well, Treasury has responsibilities, we are off
8 doing what is at the bottom of the list there. Those were
9 the things we had taken on.

10 Q Do you know when this to-do list was prepared?

11 A Well, it looks like it says 7/22, but maybe that
12 is 2/22.

13 Q That's Mr. Stern's handwriting at the top of the
14 page?

15 A Yes.

16 Q The bottom of this --

17 A The short answer is no, I don't know when it was
18 prepared.

19 Q The bottom says "staff meeting at 5:00 p.m.,
20 divvy up responsibilities."

21 A Yes.

22 Q Did you attend a staff meeting at 5:00 p.m.

1 during the few days before February 24 at which
2 responsibilities were divided up?

3 A I have no recollection of that. I met over the
4 course of that time with Mr. Stern and Mr. Eggleston. So
5 it could be a reference to that. I don't remember we had a
6 particular meeting at 5:00 on the 22nd, if that's where
7 that document is from.

8 Q Who is this person Weiner who is listed down here
9 on the second to the last bullet?

10 MR. KRIEGEL: Again, don't answer that question
11 unless it has something to do with a White House-Treasury
12 contact. This is just not pertinent to the scope of the
13 hearing.

14 MR. KRAVITZ: Are you instructing the witness not
15 to answer?

16 MR. KRIEGEL: Unless it has something to do with
17 a White House-Treasury contact.

18 MR. BRAUNREUTHER: We believe it has something to
19 do directly with White House-Treasury contacts. We are
20 dealing with a document that, on its face, talks about
21 White House-Treasury contacts. The witness has testified
22 the top part of the materials were going to be done by the

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1 Treasury and the bottom by the White House in connection
 2 with the upcoming testimony of Mr. Altman and Treasury
 3 officials before the Banking Committee and the question
 4 goes to identifying an individual in federal government who
 5 is named on the list. I have a hard time understanding why
 6 you would elect to invoke that kind of objection at this
 7 point if our mutual interest is getting to the facts.

8 MR. KRAVITZ: We have testimony of multiple
 9 telephone calls relating to this hearing going back and
 10 forth between Mr. Levy, Mr. Steiner, Mr. Podesta.

11 MR. KRIEGEL: Is there anything any reason to
 12 believe that Mr. Weiner has anything to do with the White
 13 House or Treasury?

14 MR. KRAVITZ: We don't know.

15 MR. KRIEGEL: Ask him if Mr. Weiner has anything
 16 to do with the RTC or the Treasury Department.

17 MR. KRAVITZ: I am going to ask the question the
 18 way I asked it. If you are going to instruct him not to
 19 answer, you can do that, I suppose.

20 BY MR. KRAVITZ:

21 Q Who is the person named Weiner who is mentioned
 22 in this list?

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1 MR. KRIEGEL: Unless Mr. or Ms. Weiner has some
 2 connection with the White House or Treasury, we are
 3 objecting to that question on pertinency grounds and we are
 4 not answering it.

5 BY MR. KRAVITZ:

6 Q Do you have an answer in light of what your
 7 counsel just said?

8 A I think my counsel instructed me not to answer.
 9 It is a person who has nothing to do with the White House,
 10 the Treasury or the RTC.

11 Q I'm going to show you what has been marked as
 12 Exhibits X000096 through X000181. I ask you to take a look
 13 at these and tell me if you recognize those documents.

14 (Witness examined the document.)

15 A The only document I specifically recognize is
 16 X 000105. I can speculate as to what this is.

17 Q As to what what is?

18 A What this set of documents is. I haven't
 19 reviewed these documents.

20 Q Does the set of documents appear to be a set of
 21 Qs and As prepared in advance of the February 24 hearing?

22 A That's what it appears to be.

1 Q Is it your testimony that you have never seen
2 this set of documents as a complete set before?

3 A No. I said that after the hearing I looked at
4 the Q and A. I believe that's when I realized that we had
5 the Q and As. I don't think I knew that before that. I
6 looked at the Q and A which is the document number which I
7 mentioned.

8 Q X105?

9 A Yes. I don't know whether those were bound or
10 they came out in a book, so I can't be certain whether I
11 have seen the set as a set or saw the document as a
12 document, but I didn't review the other documents in the
13 set.

14 Q Do you know who prepared -- can you tell from
15 these documents who prepared them?

16 A No.

17 Q Do you know who prepared the one document that
18 you say you do recognize, X000105?

19 A I don't know who prepared it.

20 Q When was the first time that you saw this
21 document, X000105?

22 A I believe it was on March 1, but it could have

1 been subsequent to that.

2 Q Are you positive you never saw X105 before
3 February 24?

4 A Yes.

5 Q Did you review this document, X000105, at the
6 White House?

7 A Yes.

8 Q Do you know whether the document had been at the
9 White House before February 24?

10 A I have no firsthand knowledge of that, but I
11 believe it was.

12 Q What is your basis for saying that?

13 A I believe those -- I don't know where those
14 documents came from, but I believe my deputy had a set of
15 the Qs and As.

16 Q To your knowledge, did the White House or anyone
17 at the White House have any involvement either in drafting
18 or in reviewing the Qs and As that were provided for
19 Mr. Altman before his testimony on February 24, 1994?

20 A Let me take that in two parts. I don't think
21 anybody at the White House had anything to do with drafting
22 them. I don't have a specific recollection of this and I'm

1 not sure it is true, but I want to be as complete as
2 possible. I think Mr. Eggleston may have said that he had
3 seen or heard or reviewed in that context this answer.

4 Q "This answer" refers to the answer that is on the
5 Q and A that are on page X105?

6 A Right.

7 Q Related to conversations that Mr. Altman had had
8 with the White House on the Madison matter?

9 A Right.

10 Q When did Mr. Eggleston say that he had seen this
11 Q and A or heard this Q and A?

12 A I can't place the conversation. I just can't
13 place it, but I think he told me that. I assume it was in
14 the context of going through the testimony and considering
15 it, but I can't really be sure.

16 Q Did Mr. Eggleston tell you whether or not he had
17 had the question and answer read over the phone to him by
18 Ms. Hanson?

19 A I think so, but I really am not sure.

20 Q When you had this meeting on February 22,
21 Mr. Lindsey, Mr. Nussbaum, Mr. Eggleston, were any Qs and
22 As discussed?

1 A No, not that I recall.

2 Q I think you testified before and correct me if
3 I'm wrong, but I think you testified before that one of the
4 issues that you discussed in that February 22 meeting was
5 how Mr. Altman would address the subject of recusal at the
6 upcoming hearing; is that right?

7 A Yes.

8 Q What were the suggestions made or what was the
9 discussion at that meeting as to how Mr. Altman should
10 address the subject of his decision not to recuse himself?

11 A I don't recall the meeting focusing on our
12 decision about how he should respond, which is the frame of
13 your question.

14 Q I didn't mean to frame it as your decision as to
15 how he should respond. I said what suggestions or what
16 comments were made.

17 A I think that my recollection of the conversation
18 was that Mr. Altman was going to testify that he would be
19 leaving the RTC on March 30 at the expiration of his term
20 and that the conversation focused on that point and that
21 that was relevant only to recusal and the point that
22 recusal was moot in Mr. Altman's mind.

1 Q You mean by that time the statute of limitations
2 had been extended to well past the end of his Vacancy Act
3 appointment?

4 A Correct, December 1995, as I recall.

5 Q Was there any discussion during this meeting that
6 you had with Mr. Nussbaum, Mr. Lindsey and Mr. Eggleston on
7 February 22 as to how Mr. Altman should respond to
8 questions about communications that he had had with White
9 House staff relating to Madison?

10 A In that meeting?

11 Q Right?

12 A I don't recall that coming up.

13 Q You don't recall discussing on February 22 how
14 Mr. Altman should respond to a question such as the one
15 posed in X000105?

16 A Correct.

17 Q Going into the hearing on February 24, did you
18 have any expectation as to whether Mr. Altman would mention
19 the fact that recusal had been discussed on February 2 if
20 he was asked a question to -- if he was asked at the
21 hearing to describe the February 2 meeting?

22 A I don't recall that. My concern was that I

1 assumed he would be asked a question.

2 Q He would be asked what question?

3 A A question about have you had any meetings with
4 the White House. When I heard that the meeting on February
5 2 had occurred, which, as I said, was either on the 22nd or
6 23rd, thereabouts, I was concerned that he be able to
7 answer, that he have thought through what his answer would
8 be to that question so that he would be prepared to answer
9 truthfully.

10 Q When asked the question whether any meetings had
11 occurred?

12 A Yes.

13 Q What did you do to ensure that Mr. Altman was
14 going to be able to answer that question truthfully?

15 A As I said, I believe I raised it with Mr. Steiner
16 and said just make sure -- now I don't have a specific
17 recollection of the conversation, but I think I said to
18 Mr. Steiner that there was a meeting here and that he must
19 be prepared to answer a question about it if he is asked.

20 Q Is it your memory that you told Mr. Steiner
21 before the February 24 hearing that you thought it was
22 important for Mr. Altman to be able to answer truthfully

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1 any question about contacts or communications Mr. Altman
2 had had with White House staff on the subject of Madison?

3 MR. KRIEGEL: I believe that -- read back his
4 answer, previous answer, please.

5 MR. KRAVITZ: If you want me to rephrase the
6 question, I will. We don't need to read the testimony
7 back. What is your objection?

8 MR. KRIEGEL: You are characterizing his
9 testimony incorrectly. It is an objection to the form of
10 the question.

11 MR. KRAVITZ: I will rephrase the question.

12 BY MR. KRAVITZ:

13 Q When you spoke with Mr. Steiner before the
14 February 24 hearing, did you tell him that you thought it
15 was important that Mr. Altman be prepared to testify
16 truthfully about prior contacts and communications that
17 Mr. Altman had had with White House staff relating to
18 Madison?

19 A I don't have a specific recollection of what I
20 said to him. I was aware of the February 2 meeting. I
21 believe that I told Mr. Steiner that he just needed to be
22 ready to answer a question about contacts or the meeting.

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1 I don't know whether -- I would say being unaware of any
2 other meetings, I'm not sure -- you phrased it rather
3 broadly. I'm not sure I said that to him. I was trying to
4 make sure he anticipated and was ready to answer the
5 question about something I specifically knew could be an
6 issue and be on the table.

7 Q Did you tell Mr. Steiner why you thought it was
8 important that Mr. Altman be able to testify truthfully
9 about his previous contact with the White House or about
10 the February 2 meeting?

11 A I just assumed it would be asked and that he
12 should be ready for it.

13 Q Did you tell Mr. Steiner why you thought it was
14 important that Mr. Altman be able to testify truthfully on
15 that point?

16 A I think I characterized my statement and now I
17 want to be clear about this. I don't know that I used the
18 word "truthfully." I just wanted him to be able to answer
19 it. I'm saying today that the assumption, my assumption
20 was that he would answer the question, but that he had to
21 be ready to answer it.

22 Q What did Mr. Steiner say when you brought this up

1 with him?

2 A He said -- I think he said "fine, we will make
3 sure he is ready."

4 Q Did Mr. Steiner say anything to you during these
5 conversations or this conversation you had with him before
6 February 24 about the fact that he himself, Mr. Steiner,
7 had had previous communications with White House staff on
8 the subject of Madison?

9 A He did not raise that with me.

10 Q Did you know about that at the time?

11 A Not that I recall.

12 Q Going back to your February 22 meeting with
13 Mr. Nussbaum, Mr. Lindsey and Mr. Eggleston, was the
14 subject of the February 2 meeting discussed? It was,
15 wasn't it?

16 A At the meeting with Mr. Eggleston?

17 Q And Mr. Nussbaum.

18 A I don't recall that.

19 Q Was the subject of prior contacts between White
20 House and Treasury officials on the subject of Madison
21 discussed during the February 22 meeting with Mr. Nussbaum,
22 Mr. Lindsey and Mr. Eggleston?

1 A It could have been. I have no specific
2 recollection of this.

3 Q Wasn't that one of the questions that you were
4 most concerned about going into the hearings?

5 A I think in my view I had dealt with that
6 concern.

7 Q By doing what?

8 A By having told Mr. Steiner that he should be
9 prepared to answer the question.

10 Q I thought you said you talked to Mr. Steiner on
11 the 23rd.

12 A No. I said on the 22nd or 23rd. Those two days
13 in my mind are sort of blurry as to what happened. So I
14 don't have a specific recollection. I think that I knew
15 about the contact prior to that meeting and that I had
16 already dealt with it.

17 Q You have lost me. You knew about what contact
18 prior to what meeting?

19 A I think I knew about the February 2 contact prior
20 to the February -- I can't even place precisely whether the
21 meeting was on February 22 or February 23. I think it was
22 on February 22. I think I had already learned about the --

1 let me start over again.

2 This is my best guess as to the sequence without
3 any real specific recollection. I think I learned about
4 the contact, I think I learned about the February 2
5 meeting. I think I raised that already with Mr. Steiner.
6 I think the meeting occurs with Mr. Nussbaum. I don't have
7 any recollection that the topic of the meeting came up in
8 that, the topic of the February 2 meeting came up in the
9 meeting with Mr. Nussbaum. It could have, but I don't have
10 any specific recollection of it.

11 Q Mr. Podesta, the transcript is going to speak for
12 itself. I have to say my recollection of your previous
13 testimony is that you first learned about the February 2
14 meeting during this meeting with Mr. Nussbaum and
15 Mr. Lindsey and Mr. Eggleston on February 22.

16 A I don't place it there. If I testified to that,
17 I would like to clarify that, because I don't remember
18 that. It could have happened, but I don't place it in that
19 meeting.

20 Q I'm going to show you what has been marked as
21 X 000080 through 95. I ask you if you know what that is.

22 A No.

1 Q Have you ever seen those documents before?

2 A Not that I recall.

3 Q I think you testified --

4 A I don't know. If this is a piece of the briefing
5 book, I could have seen the overall briefing book.

6 Q I think you testified earlier that your deputy
7 Todd Stern received at least parts of, if not the entire,
8 the Treasury Department briefing book before the February
9 22 hearing?

10 A Correct.

11 Q Is this what you were referring to?

12 A I thought there was more to it than this, but I
13 don't know.

14 Q I can tell you that came over to us from the
15 White House in a chunk. It is not like we have taken it
16 apart or anything.

17 A I thought it was like the whole briefing book.
18 It may be that this is the part that related to
19 Madison/Whitewater pursuant to the resolution. At any
20 rate --

21 Q Have you seen any part of that exhibit before
22 today?

1 A I previously testified I don't -- it could have
2 been bundled with these other questions, but I didn't focus
3 on it. I don't think I have read this before today. I did
4 read the one specific question.

5 I want to be clear. I don't know whether these
6 things were together or not together. I may have seen it
7 as part of a bunch. The only thing I remember reading was
8 the one specific question we already talked about.

9 Q That was something you read on March 1?

10 A Yes. I will clarify this again. I know I didn't
11 see this before February 24.

12 Q See what before February 24?

13 A The document you just handed me.

14 Q X80 through X95.

15 A Yes.

16 Q Are you as certain -- are you also certain that
17 you didn't see X96 through X181 before?

18 A Not to have read it. Whether I saw it sitting in
19 a book someplace. Counsel's office is next to mine. I
20 didn't review the substance of those documents.

21 Q Is there anything else that you did in
22 preparation for the February 24 Senate oversight board

1 hearing that you haven't told us about?

2 MR. KRIEGEL: To the best of your recollection.

3 THE WITNESS: To the best of my recollection, I
4 had some contacts on the Hill. I think I previously said
5 that.

6 BY MR. KRAVITZ:

7 Q Any other meetings at the White House to get
8 prepared for the hearings?

9 A I'm sure I met with my deputy, Todd Stern, and
10 Mr. Eggleston through the course of this. I can't recall
11 any other specific meetings to get ready for it other than
12 the ones we have discussed.

13 Q Were any actions taken by you or anyone else as a
14 result of the February 22 meeting you attended with
15 Mr. Nussbaum, Mr. Lindsey and Mr. Eggleston?

16 MR. KRIEGEL: Can we clarify the question. By
17 "actions," what are we talking about?

18 MR. KRAVITZ: Actions taken within the context of
19 preparing for the February 24 hearing.

20 THE WITNESS: I don't recall whether -- I may
21 have talked to Mr. Steiner again. I don't have a specific
22 recollection of that. I don't recall any other specific

1 actions taken as a result of that meeting.

2 BY MR. KRAVITZ:

3 Q Before February 24, 1994, did Mr. Nussbaum ever
4 say anything to you about the fact that he had had previous
5 meetings in the fall of 1993 with Treasury Department
6 officials relating to Madison?

7 A No, not that I recall.

8 Q Did Mr. Eggleston ever say anything to you before
9 February 24 about the meetings that he attended in the fall
10 of 1993 with Treasury Department officials on the subject
11 of Madison?

12 A I don't recall that, no.

13 Q What was the final decision, if there was one, as
14 to how Mr. Altman should respond to a question about why he
15 had decided not to recuse himself?

16 A I think that was Mr. Altman's decision.

17 Q As to how he should respond to it?

18 A Sure.

19 Q Haven't you testified that one of the things that
20 you and others were most interested in was how Mr. Altman
21 would respond to that question?

22 A No. I have testified that I was concerned that

1 he have a response prepared.

2 Q You didn't take it upon yourself to find out what
3 Mr. Altman was planning to say?

4 A I didn't take it upon myself -- I think I knew
5 what he was planning to say.

6 Q Why don't you just tell me that.

7 A He was planning to say that the issue was -- that
8 he was leaving on March 30, that he had no obligation to
9 recuse pursuant to statute, that he was leaving on March
10 30, that the statute had been extended and that there was
11 no issue left, it was kind of moot as an issue.

12 Q How do you know that Mr. Altman was planning on
13 giving that answer to the question of why he decided not to
14 recuse himself? You have testified that you did not review
15 any Qs and As on the subject; correct?

16 A Yes.

17 Q How did you know that Mr. Altman was planning on
18 giving that answer to the question of why he decided not to
19 recuse himself?

20 A I think there are two parts to my answer. I
21 think Mr. Levy told me from the get go that he was under no
22 obligation to recuse himself. I think the issue, around

1 March 30, and Vacancy Act of leaving came up later. I
 2 think Mr. Steiner told me he was going to say that. This
 3 would have been one of the telephone conversations you had
 4 with Mr. Steiner during the couple days before February 24,
 5 yes.

6 Q Was one of your purposes in calling Mr. Steiner
 7 during the one or two days before February 24 to find out
 8 what Mr. Altman's answer was going to be to the question of
 9 why he decided not to recuse himself?

10 A No. I think he volunteered the March 30 issue to
 11 me.

12 Q Who volunteered that?

13 A Mr. Steiner.

14 Q My question was, was one of your purposes in
 15 contacting Mr. Steiner or in speaking with Mr. Steiner
 16 shortly before the hearing to find out what Mr. Altman's
 17 answer was going to be to the question of why he had
 18 decided not to recuse himself.

19 A I don't recall that. I don't think so. I think
 20 I knew what he was going to say. I think Mr. Levy told
 21 me. Not what he was going to say. I think I knew what his
 22 position was, which I assumed is what he was going to say,

1 which is that he had no obligation to recuse himself so he
 2 wasn't going to recuse himself.

3 Q Wasn't --

4 A I wasn't specifically concerned with what the
 5 text of that was going to be.

6 Q You really weren't?

7 A I was concerned that he had thought it through
 8 and had an answer and was confident in his answer and was
 9 going to say it.

10 Q Wasn't the recusal issue something that was
 11 really a major concern at the White House, particularly in
 12 light of Ricky Tigert's promise during her confirmation
 13 hearings that she would recuse herself from any FDIC
 14 matters involving Madison?

15 A As I previously testified, I anticipated it would
 16 come up and he would be questioned on the topic.

17 Q And the testimony on this subject and the
 18 statements that might be made by members of the Senate
 19 committee were issues of great concern at the White House
 20 during the time period leading up to the February 24
 21 hearing, weren't they?

22 A I think we anticipated that the question would be

1 asked and that he would respond to it.

2 Q Those were issues of great concern at the White
3 House during the time period leading up to February 24,
4 weren't they?

5 MR. KRIEGEL: He has answered the question.

6 MR. KRAVITZ: He has not answered the question.
7 I agree that the question has been asked, but not that it
8 has been answered.

9 THE WITNESS: I think that we understood that it
10 was going to be a question that would be asked and that he
11 would need to answer it. I don't accept that the form of
12 the answer, I don't recall, as being of great concern other
13 than that he knew what he was going to say and that he was
14 going to be confident in his answer.

15 BY MR. KRAVITZ:

16 Q And as to the specifics of that answer, you
17 weren't concerned?

18 A By the time -- I think, as I previously
19 testified, I knew what he was going to say from Mr. Levy
20 early in the period of my involvement in this. I felt that
21 was fine.

22 Q What was your understanding as of the beginning

1 of the hearings on February 24 as to what Mr. Altman was
2 going to say if asked the question whether he had had
3 previous communications with White House staff on the
4 subject of Madison?

5 A I don't know that I had any specific knowledge of
6 how he was going to answer it, but that I knew that he had
7 had this meeting and he was prepared to answer the
8 question.

9 Q You knew as of February 24 that the recusal
10 subject had been discussed on February 2; correct?

11 A I don't know that. I don't have a specific
12 recollection of that.

13 Q Was it your expectation, as of the beginning of
14 the hearings on February 24, that Mr. Altman's answer to
15 any question involving the February 2 meeting would include
16 the fact that recusal was discussed?

17 A Again, some of this is kind of blurred which
18 conversation was which. I don't remember whether before
19 the hearing the question of whether recusal was part of the
20 answer at the February 2 -- was part of the February 2
21 meeting was a topic of discussion. It could have been. I
22 just don't remember. It was clearly a topic of discussion

1 after the hearing, but whether I knew that before or after
2 I don't remember.

3 Q And the fact that --

4 A I viewed those as separate issues, I think, in my
5 mind, the question of the meeting and the question of --
6 being able to respond to a question about did you ever talk
7 to people at the White House and what is your substantive
8 answer on recusal. I viewed those as separate, but again
9 it is a while, also. It could be we discussed it in
10 conjunction. I don't have a specific recollection of
11 that.

12 Q Did Mr. Nussbaum ever say anything in your
13 presence that indicated his preference that a description
14 of the recusal discussion that occurred on February 2 not
15 be made public either at the February 24 hearings or any
16 other time?

17 A I don't remember that. I don't think so.

18 Q Would it refresh your recollection if I told you
19 that Bruce Lindsey has testified in his deposition that the
20 subject of recusal was discussed during this meeting on
21 February 22, 1994 and the subject of whether or not
22 Mr. Altman should recuse himself was discussed at that

1 meeting?

2 A Of whether he should recuse himself? No.

3 MR. KRAVITZ: Let's take a five-minute break.

4 (Recess.)

5 BY MR. KRAVITZ:

6 Q Did you, Mr. Podesta, did -- could you attend the
7 February 24 hearing before the Senate Banking Committee?

8 A No.

9 Q Did you monitor it in any way?

10 A The only thing I have a specific recollection of
11 doing was checking the AP wire for the copy that
12 afternoon. I'm sure that I probably got a report, but I
13 don't remember monitoring it in any depth in that sense.

14 Q Who would have provided that report that you are
15 sure you probably got?

16 A Either Mr. -- Mr. Eggleston was at the hearing.
17 So either Mr. Eggleston would have informed me about what
18 was going on or alternatively, he would have probably
19 talked to Mr. Stern and Mr. Stern would have told me what
20 was going on.

21 Q What was the first thing you learned about the
22 hearing, either while it was occurring or after it had been

1 over?

2 A That there had been a fair amount of kind of
3 partisan sparring at the hearing. I haven't looked at the
4 AP story. The AP story indicated there was quite a bit of
5 back and forth, mostly by members of the committee back and
6 forth.

7 Q Did there come a time that anyone expressed to
8 you any concerns about the accuracy of Mr. Altman's
9 testimony before the Senate Banking Committee on February
10 24?

11 A Yes.

12 Q When was the first time that such concerns were
13 brought to your attention?

14 A I don't place it specifically, but I think it
15 would either have been the next day or after the -- or
16 during the weekend.

17 Q For the record --

18 A The hearing is on February 24, which is a
19 Thursday. It would have either been February 25, a Friday,
20 or sometime over the weekend, but I don't have -- I can't
21 specifically place it.

22 Q Who is the first person who spoke to you about

1 the accuracy or possible inaccuracy of Mr. Altman's
2 February 24 testimony?

3 A Mr. Eggleston.

4 Q What was the context of that conversation?

5 A He was concerned that in Mr. Altman's description
6 of the meeting on February 2 that Mr. Altman did not
7 mention that the topic of recusal had come up.

8 Q Was this a conversation that you had with
9 Mr. Eggleston, just the two of you?

10 A I think so.

11 Q What exactly did Mr. Eggleston say in this
12 regard?

13 A I think he was worried that the description of
14 the meeting as being procedural didn't -- that procedural
15 didn't include a discussion of recusal. He was concerned
16 about it, that the testimony could have been more
17 complete.

18 Q Did you have a transcript or did Mr. Eggleston
19 have a transcript of the testimony as of the time of this
20 first conversation that you had with Mr. Eggleston?

21 A I don't remember that. I don't know.

22 Q Did you discuss at that time with Mr. Eggleston

1 what the recusal discussion had been at the February 2
2 meeting?

3 A Only that they had discussed recusal and that he
4 didn't mention it.

5 Q And that Altman didn't mention it?

6 A That Altman didn't mention that in his rendition
7 of what happened at the February 2 meeting, he had talked
8 only about statute of limitations.

9 Q What was your reaction to this concern that was
10 expressed to you by Mr. Eggleston?

11 A I think we didn't have the transcript when we
12 first talked about it, because I think one of my reactions
13 was let's get a transcript and see exactly what he said.
14 So -- I am not conjuring that up; I think that happened,
15 but I don't have a real specific recollection of it.

16 The other thing that we were aware of was that
17 Mr. Nussbaum was in Mexico. That's why I think this
18 happened over the weekend, but it might have happened on
19 Friday. I'm not sure when Mr. Nussbaum went to Mexico, but
20 it was a topic that we would look at, really look at the
21 transcript and talk to Mr. Nussbaum about.

22 Q Was the upshot of your conversation with

1 Mr. Eggleston on the 25th that he would get the transcript
2 as soon as possible and then review it?

3 MR. KRIEDEL: The form of the question --

4 MR. KRAVITZ: I didn't ask him whether that was
5 his testimony.

6 THE WITNESS: You just placed it on the 25th. I
7 can't remember if it was on the 25th or 26th. It was in
8 that time period.

9 BY MR. KRAVITZ:

10 Q Let me ask you another question.

11 A I think that is right, but I don't -- that
12 doesn't stick in my mind with precision. I don't think we
13 had the transcript when we first talked about it. I think
14 we were going to wait for the transcript and Mr. Nussbaum.

15 Q Mr. Nussbaum's testimony on the 24th was the
16 first time that the February 2 White House meeting had been
17 made public; correct?

18 A Yes.

19 Q And there were news articles on the 25th?

20 A There were.

21 Q Many of them critical about the fact that this
22 meeting on February 2 had occurred?

1 A I think specifically The New York Times was.

2 Q Was that an article you were aware of as of the
3 time you spoke with Mr. Eggleston, either on the 25th or
4 over the weekend?

5 A Sure.

6 Q Was part of your discussion with Mr. Eggleston
7 what the White House should do about any inaccuracy that
8 might exist in the, particularly in light of the negative
9 publicity that already existed as a result of the public
10 disclosure of the February 2 meeting?

11 A I think that was a concern.

12 Q What was the discussion on that subject with
13 Mr. Eggleston when you spoke with him that first time?

14 A Well, I think that it was an inconclusive
15 conversation. We just didn't close on it.

16 Q What was the conversation?

17 A Well, if the testimony is may need to be
18 supplemented.

19 Q Was there any discussion as to how the
20 supplementation or the supplementing of incomplete or
21 inaccurate testimony would play?

22 A I don't recall at that time.

1 I'm sorry. I cut you off.

2 Q What effect that might have on the bad publicity
3 Mr. Altman was already getting.

4 A I don't recall in that conversation that topic
5 coming up.

6 Q Was that something that you became concerned
7 about after you learned that there might be some
8 inaccuracies in Mr. Altman's testimony?

9 A It was.

10 Q Why was that something you were concerned about?
11 Let me ask you this. I phrased a previous question as to
12 bad publicity that Mr. Altman was getting.

13 It is true that Mr. Altman wasn't the only one
14 getting bad publicity as a result of the February 2
15 meeting?

16 A Right.

17 Q The White House was getting bad publicity?

18 A Right.

19 Q Were concerns about the accuracy of Mr. Altman's
20 February 24 testimony and the possibility that the
21 testimony might have to be corrected or supplemented in
22 some way, did those make concerns about the bad publicity

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1 that the White House was already getting even greater?

2 A Yes. Through the course of these few questions
3 we have gone back and forth on time. I don't remember
4 whether that was an issue in the first conversation we had,
5 but it became something that I was concerned about.

6 Q By what time are you sure that you were already
7 concerned about that subject? Can you give a date by which
8 you know you were already concerned about this subject?

9 MR. KRIEGEL: I'm just not clear on what the
10 subject is here.

11 BY MR. KRAVITZ:

12 Q The concern that inaccurate testimony might
13 exacerbate press problems that the White House was already
14 having as a result of the disclosure on February 24 by
15 Mr. Altman of the February 2 meeting.

16 A I'm certain it came up on March 1, but I think --
17 it may have come up before then, too.

18 Q What did you do, if anything, relating to the
19 February 24 hearing between the time that you first spoke
20 with Mr. Eggleston and the meeting that you have testified
21 to previously that occurred on March 1?

22 THE WITNESS: I'm sorry. Can you read that

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1 back.

2 (The reporter read the record as requested.)

3 THE WITNESS: I believe that by then we had
4 gotten a transcript and reviewed it.

5 BY MR. KRAVITZ:

6 Q By when?

7 A By March 1.

8 Q I might be able to refresh your memory on that.
9 Let me show you -- I think I have shown you this before.
10 It is a document, X11 through 66, which is the transcript
11 also that has a memorandum on the front of it.

12 Does that refresh your memory as to when you
13 first saw the transcript?

14 A No. This is an Eggleston file memo. He was in
15 the habit of putting both of our names on it with regard to
16 the hearing. It is initialed by him.

17 Q You mean any memo Mr. Eggleston wrote --

18 A Relating to the file.

19 Q I want the record to be accurate. What you are
20 saying is any memo Mr. Eggleston wrote relating to the
21 February 24 hearing, he automatically put your name on as
22 well?

1 A Right, but then he did initial it at the bottom.
2 So this came from him. I think this was occasion to
3 circulate the testimony. This memo is dated March 1, but
4 whether the actual transcript we had the day before or not,
5 I can't be certain.
6 Q Does this make you certain at least by March 1 --
7 A We had the transcript.
8 Q You may have had it sooner?
9 A May have had it a day before. I don't think we
10 had it over the weekend. That's my recollection, but I'm
11 not positive about it.
12 Q Did you have any conversations with Clifford
13 Sloan relating to the accuracy of Mr. Altman's testimony?
14 A The only conversation I recall is the
15 conversation on March 1.
16 Q That you have testified about?
17 A Yes.
18 Q Correct me if I'm wrong, but I don't remember
19 your description including Mr. Sloan in that description.
20 A It should have if it didn't.
21 Q I take that back. My notes show that you did
22 mention him.

1 A It was Mr. Klein as well, Mr. Nussbaum,
2 Mr. Sloan, Mr. Eggleston and joined by Lindsey.
3 Q Are there any other meetings at the White House
4 to discuss or that included discussions of the accuracy of
5 Mr. Altman's testimony that you attended between February
6 24 and March 1 that you haven't told us about?
7 A There might have been. I might have had
8 face-to-face conversations with Neil. I don't place Sloan
9 there. I think it is just Neil over the course of that
10 weekend. I don't know whether we talked once and dropped
11 it until March 1 or he came back and we discussed it again
12 a little bit. I just don't remember. I don't remember
13 talking to anybody else about it.
14 Q I apologize for being somewhat repetitive. Why
15 don't we go into a little bit more detail about the March 1
16 meeting itself. Who called that meeting?
17 A No one.
18 Q How did it happen?
19 A Bernie had come back from Mexico. I don't know
20 whether he was back on the 28th. I don't know when he came
21 back, but he was back. He, Klein, Sloan and Eggleston
22 dropped by my office. I don't know if that was preceded by

1 a phone call that we would like to come down and see you or
2 not, but they all came downstairs. My office is on the
3 ground floor. Bernie's office is up on the second floor.
4 I think they were up in Bernie's office and they came
5 down.

6 We sat in my office and they raised concerns
7 about the -- three specific concerns about the accuracy of
8 the testimony. They had, I think, previously looked at the
9 transcript at that point. I remember a discussion about
10 the transcript.

11 Q Those three concerns were?

12 A Again, I haven't looked at this transcript
13 recently. One, that I believe Mr. Altman said in stating
14 how the meeting was set up --

15 Q The February 2 --

16 A On February 2, that he had called Mr. Nussbaum,
17 which Mr. Nussbaum thought was inaccurate and I think is
18 inaccurate, that the topic of recusal was not in the
19 question about the description of the February 2 meeting.

20 Q You mean not in the answer?

21 A Not in the answer. In Mr. Altman's description
22 of the February 2 meeting, he did not raise the topic of

1 recusal.

2 Q What was the third subject of concern?

3 A The third subject was in answer to Senator Bond's
4 question about whether the White House had been informed of
5 the criminal referrals by members of your agency or by the
6 staff of your agency -- I don't remember exactly the form
7 of the question by Senator Bond -- Mr. Altman's answer was
8 "not to my knowledge" I think. We would have to look it
9 up in there, but I think that is sort of roughly how that
10 worked. Those are the three issues we focused on. That's
11 I think as I have testified -- well.

12 Q Was there any discussion during this March 1
13 meeting in your office on the subject of Mr. Altman's
14 testimony relating to how the February 2 meeting was set
15 up?

16 A Yes. I just testified to that.

17 Q What was the discussion?

18 A Mr. Nussbaum raised the issue that -- again, I
19 would have to refresh my recollection about what Mr. Altman
20 precisely said. Mr. Altman, I believe, testified something
21 to the effect that I called Mr. Nussbaum and set up a
22 meeting.

1 Q Let me show you page X00043, which is a page out
2 of the transcript.

3 A "Jean Hanson and I requested a meeting with
4 Mr. Nussbaum." Mr. Nussbaum was concerned about that. He
5 thought that the request did not come to him and the
6 implication of the testimony was that it had.

7 Q And that he had set up the meeting?

8 A And that Mr. Nussbaum had set up the meeting. It
9 was Mr. Nussbaum's view that he had been invited to the
10 meeting I think kind of sort of late in the day or
11 something. I don't know. I am using that as a metaphor.
12 He was just invited to come down to a meeting, but that the
13 phone call had not come to him, that he had not set the
14 meeting up.

15 Q What did others at the March 1 meeting in your
16 office say on this subject?

17 A I think that we discussed it -- I think there was
18 sort of some general sense that Bernie's view of the facts
19 on who had called -- that he had not received a call from
20 Mr. Altman seemed right, but that the testimony didn't
21 really say that and might not be a big deal.

22 Q Was there a decision made as to whether

1 Mr. Altman's testimony on the point of how the meeting had
2 been set up on February 2 needed to be corrected or
3 supplemented in any way?

4 A At the end of the meeting, I think we
5 collectively made a decision that I would call Mr. Altman
6 and raise all three issues with him.

7 Q What was the discussion during your March 1
8 meeting --

9 A Go ahead.

10 Q What was the discussion during the March 1
11 meeting in your office regarding the fact that Mr. Altman
12 had omitted the subject of recusal from his description of
13 the February 2 meeting at the White House?

14 A I think we had a fairly lengthy discussion about
15 that, went over the testimony, tried to decide whether it
16 fit in the frame of procedural.

17 Q What do you mean by that?

18 A Mr. Altman said that they had a procedural
19 briefing and that this talking about recusal, is that part
20 of our procedural briefing.

21 Q The question being --

22 A Was his testimony --

1 Q Could it be argued that the discussion of recusal
2 that in fact occurred on February 2 was somehow subsumed
3 within Mr. Altman's reference to a procedural discussion?

4 A Yes.

5 Q What were the views stated on that question
6 during the March 1 meeting?

7 A I think everyone -- I think that there was
8 probably unanimity on a couple of points. One is that it
9 would have been better had he said recusal, but he hadn't.
10 Secondly, that it probably did fit in within the four
11 corners of a procedural briefing.

12 Q You mean the subject of recusal?

13 A The subject, yes. This is a question of whether
14 the testimony was accurate which kicked off a discussion
15 about whether later, and we assumed the later wouldn't be
16 very much later because we were still anticipating a House
17 hearing a few weeks from that.

18 He got further questions and disclosed that
19 recusal was part of the discussion, what the reaction would
20 be and in kind of a public affairs sense, whether this
21 would seem like yet another disclosure in the wake of
22 having been criticized for disclosing the meeting's

1 existence in the first place on February 24.

2 Q Was there any decision made as to whether
3 anything should be done short of waiting for the next set
4 of hearings on this subject?

5 A I think I previously said that at the conclusion
6 of the meeting, that I would call Mr. Altman and raise all
7 three issues with him.

8 Q In what way? Making a suggestion that he do
9 something or just to talk to him about it? What do you
10 mean by "raise three issues with him"?

11 A That we would have a discussion about whether the
12 testimony needed to be supplemented.

13 Q By whom?

14 A By Mr. Altman. He is the witness.

15 Q Was there any consideration during the March 1
16 meeting in your office of whether the White House had any
17 obligation to correct or supplement Mr. Altman's testimony
18 in any way?

19 A I don't recall that, but it seems to me in
20 retrospect, even would seem to me at the time, that the
21 proper way of supplementing his testimony would have been
22 for Mr. Altman to supplement the testimony. He was the

1 witness.

2 Q Are you aware that Beth Nolan, the ethics officer
3 in the White House counsel's office was consulted by other
4 White House officials during the same time period we are
5 talking about on the question of whether the White House
6 had any obligation to supplement or correct Mr. Altman's
7 testimony?

8 A I don't remember that.

9 Q What was the discussion during the March 1
10 meeting in your office on the subject of Mr. Altman's
11 answer that according his knowledge, the White House had
12 not been informed by officials of his agency about the
13 criminal referrals?

14 A We again spent a fair amount of time on that kind
15 of parsing the answer, trying to understand what he said.
16 He said not to my knowledge. The reference to agency was
17 slightly unclear.

18 Q You mean you couldn't tell whether --

19 A Whether he was referring to the RTC or Treasury.
20 Obviously we talked about the meetings, who had attended
21 them, what had happened, kind of in brief.

22 Q Was this the first -- this was the --

1 A I think this was the first time I learned about
2 these meetings. That's my recollection. That's the first
3 time I learned.

4 Q Your memory is March 1 was the first time
5 Mr. Nussbaum ever mentioned anything about the September 29
6 or October 14 meetings in your presence?

7 A That's my recollection, yes. So, at any rate, we
8 tried to do a serious analysis of was the testimony
9 inaccurate, what was -- we tried to think what he was
10 thinking when he said it.

11 Q What was the conclusion of that serious analysis?

12 A The conclusion of that analysis was that in
13 whatever capacity Ms. Hanson or Mr. DeVore or Mr. Steiner
14 were over there in, that the committee needed to be made
15 aware of these contacts.

16 Q The testimony --

17 A We thought this was very serious.

18 Q The testimony needed to be supplemented in some
19 way?

20 A Yes.

21 Q Was that the only area of the three in which you
22 and the others at the March 1 meeting concluded that there

1 needed to be a supplementation of the record?

2 A No. I think we -- I think that -- I wouldn't
3 characterize it that way. The other two issues we thought
4 were more --

5 Q Closer calls?

6 A They were closer calls. I think we felt in both
7 cases that they were not inaccurate, that the testimony was
8 not inaccurate, but that there needed to be some judgment
9 exercised as to whether to go ahead and supplement the
10 testimony.

11 Q Was it your belief as of March 1, 1994 that
12 supplementing Mr. Altman's testimony would result in more
13 bad publicity for both Mr. Altman and the White House?

14 A Yes.

15 Q Is it fair to say, then, that you and the others
16 at that meeting would not have recommended or concluded
17 that supplementing the record was necessary unless you
18 thought that there really was a serious problem?

19 A No.

20 Q That's not fair to say?

21 A That is not fair to say.

22 Q Why is that not fair to say?

1 A Because I think I have already described the
2 issue about Senator Bond's question, that we felt strongly
3 that the testimony needed to be supplemented as a matter
4 that we felt needed to be complete and accurate. With
5 regard to the other two, when we were in the realm of -- I
6 think that the three had sort of different scales for
7 everybody.

8 With regard to the setting up of the meeting, he
9 didn't say he called Bernie. I think that at least it
10 was -- let me speak for myself. I think it was at least my
11 judgment that neither the press nor, more importantly,
12 members of the committee would feel like that was a major
13 issue or that they should have known that or whatever. I
14 thought that was kind of, at best, a third-level issue.

15 With regard to recusal, I think that there was,
16 as I previously said, I think there was a public affairs
17 downside of whether the record was supplemented immediately
18 or whether it was going to come out later. It was more of
19 a judgment call. Again, I think that the conclusion was
20 that the testimony itself was not inaccurate on that
21 point.

22 Q When you were discussing the recusal issue on

1 March 1 and trying to determine whether this discussion
2 about recusal that had taken place on February 2 could
3 fairly be described as procedural, was there any discussion
4 about exactly what had been said on the subject of recusal
5 back on February 2?

6 A Yes, but I don't have a specific recollection of
7 how that was characterized.

8 Q Would you agree that understanding what was said
9 on the subject of recusal on February 2 was really
10 necessary in order to determine whether that could fairly
11 be described as procedural?

12 A I think we had a discussion that -- on that
13 topic. With regard to the point you just made, I think we
14 had something of a discussion of what the actual
15 conversation was to determine whether it was procedural or
16 wasn't procedural.

17 Q Your testimony is you can't remember what --

18 A I can't remember precisely what was said about
19 that.

20 Q Can you remember generally what was said about
21 the recusal discussion on February 2?

22 A I think that recusal was placed in the context of

1 whether you would need to recuse yourself, whether Roger
2 would need to recuse himself if a tolling agreement was
3 coming forward. It was the process of arriving at a
4 tolling agreement. I don't think we had a discussion of
5 the merits of recusal that I recall.

6 Q Did Mr. Nussbaum or anyone else at the March 1
7 meeting say anything about Mr. Nussbaum indicating on
8 February 2 that he preferred that Mr. Altman not recuse
9 himself?

10 A My recollection is that Mr. Nussbaum said that --
11 Mr. Nussbaum's position was if Mr. Altman had to recuse
12 himself legally or ethically, he should do so, but if he
13 didn't, then he shouldn't do so and that that was expressed
14 in the February 2 meeting.

15 Q I just want to make sure the record is clear.
16 What you are saying is that on March 1, during the meeting
17 in your office, Mr. Nussbaum told you that what you just
18 said was at least the gist of the recusal discussion during
19 the February 2 meeting?

20 A That's the best of my recollection was that that
21 conversation took place on March 1.

22 Q And to put it another way, what Mr. Nussbaum said

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1 on March 1 he had said on February 2 was, Mr. Altman,
2 recuse yourself if the law requires it, otherwise don't?

3 MR. KRIEDEL: Could you read back his answer --

4 THE WITNESS: I said "legally or ethically." I
5 think that is the frame. I think that was the frame. If
6 you are legally or ethically required to do so.

7 BY MR. KRAVITZ:

8 Q Otherwise don't?

9 A Otherwise -- well, otherwise, you shouldn't
10 recuse yourself.

11 Q And that's what Mr. Nussbaum said on March 1 he
12 had told Mr. Altman on February 2 at the White House?

13 A That's the best of my recollection.

14 Q I believe you have already testified that there
15 was a decision made during this March 1 meeting in your
16 office that you would contact Mr. Altman to discuss these
17 three issues.

18 A Correct.

19 Q How were you chosen to be the person to call
20 Mr. Altman?

21 A I don't specifically remember why I was chosen,
22 but I think it is conceivable that it was because -- I

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1 think the obvious choices, I suppose, were Bernie or me and
2 that it may have been because of the question of -- I think
3 Bernie was concerned, but was the issue about the first
4 issue I talked about, which was who made the call.

5 Q Who made the call to set up the February 2 --

6 A Who made the call to set up the February 2
7 meeting? That was kind of a -- it was easier for me to
8 kind of have the conversation and raise the question, let
9 Mr. Altman decide, and tell him what our discussion had
10 been and let Mr. Altman decide.

11 Q Was it decided ahead of time what you were
12 supposed to say to Mr. Altman?

13 A No. Only that I would raise the three issues.

14 Q Was it the prevailing view among the six people
15 at this meeting in your office on March 1 that if
16 Mr. Altman refused to do anything to supplement the record,
17 that the White House would do something itself?

18 THE WITNESS: Read that back.

19 (The reporter read the record as requested.)

20 THE WITNESS: I think it was our view the record
21 needed to be supplemented.

22 BY MR. KRAVITZ:

1 Q Was it agreed you were going to ask Mr. Altman to
2 supplement the record himself?

3 A I think that was the purpose of the call.

4 Q What time of day, if you know, was the meeting
5 that you have been discussing, testifying about in your
6 office on March 1?

7 A It took place over the course of the afternoon.
8 This is a guess. I'm not certain of this. I think it
9 started probably around 1:30.

10 Q And went until --

11 A Went until around 4:00. It was a fairly lengthy
12 meeting.

13 Q Was that the only meeting that group held on this
14 subject that day?

15 A I recall that some of the players -- I can't
16 frankly tell you who, I think it was Eggleston and maybe
17 Bernie -- came back to check in on whether I had talked to
18 Altman and what the result had been. I don't think we got
19 together as a group again.

20 Q When -- did you get in touch with Mr. Altman that
21 day?

22 A Yes.

1 Q And about what time?

2 A My recollection of the sequence is that I called
3 him pretty much right after the meeting, that he wasn't
4 there, that he called me back and I wasn't there and that I
5 called him back and ultimately talked to him fairly late in
6 the day, probably around 6:30, but again, I'm not totally
7 positive on that, but I think that is the sequence.

8 Q That is certainly consistent with your telephone
9 log, but I will just show you page X185, which indicates
10 you received a phone message showing that Mr. Altman called
11 at 5:39.

12 A Right.

13 Q On March 1.

14 A Right.

15 Q How long did you talk to Mr. Altman?

16 A Five, 10 minutes.

17 Q Was it just the two of you on the phone?

18 A It was just me on my end. I don't think there
19 was anybody on his end.

20 Q What was the conversation?

21 A I told him that we had reviewed his testimony,
22 that we had some concerns, that I went over specifically

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1 the three concerns. I raised the issue about who had made
2 the call.

3 Q You mean who set up the February 2 meeting?

4 A Had he asked Bernie -- had he and Jean Hanson
5 asked Bernie for the meeting. I believe he said to me that
6 he had not set up -- that he had not called Bernie, that he
7 thought -- he didn't really specifically recall who he
8 called. He thought he called Mack and somebody said who
9 should be there and he said Bernie. So he thought the
10 testimony was fair, because he had requested a meeting with
11 Bernie. I thought that was within the realm of reasonable.

12 Q Did you tell that to Mr. Altman?

13 A I think so.

14 Q So did you suggest to Mr. Altman that he should
15 do anything with regard to that testimony?

16 A No. I sort of came away from the conversation
17 after having the discussion that that probably -- that that
18 didn't rise to the level of needing attention.

19 Q What was your conversation with Mr. Altman on
20 March 1 relating to his omission of the recusal discussion
21 that occurred on February 2 from his February 24 testimony?

22 A I raised that as an issue that was of concern on

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1 our end. He said that -- my recollection of this
2 conversation is that he said that that had already been
3 brought to his attention at Treasury.

4 Q Did he say by whom?

5 A No, I don't think so. No, not that I recall.
6 And that he thought it was within the frame of procedures,
7 the procedural designation.

8 Q He thought the recusal discussion --

9 A Fit within the characterization of it being
10 procedural.

11 Q Did Mr. Altman indicate whether he had
12 intentionally omitted in his testimony the recusal
13 discussion or whether it had been inadvertent?

14 A Yes.

15 Q What did he say?

16 A He said it was in his Q and A and he had meant to
17 say it and he had just left it out; it was inadvertent.

18 Q What else did he say about that?

19 A We discussed a little bit, as I recall, I think
20 this was fairly brief -- I think he also said he could deal
21 with that. We had a brief discussion about the House
22 Banking Committee testimony. I am not clear now as to

1 whether -- it was either on the first point or the second
2 point. He said if this needs clarification, I can do it in
3 the testimony, but that may have actually referred to who
4 set up the meeting. Again, my recollection is not
5 precise.

6 Q The House Banking testimony you are referring to
7 is testimony that was --

8 A He anticipated testifying on March 24, I
9 thought. I thought the hearing was scheduled for -- maybe
10 it was March 8 and then it eventually got kicked to March
11 24 and eventually got kicked off altogether, but there was
12 an upcoming -- he was anticipating an upcoming House
13 hearing.

14 Q You are saying you are not sure --

15 A I don't remember which point he was raising this
16 with. I think we had a discussion about the point that
17 things -- if it needed to be -- I am refreshing my own
18 recollection, if you will. I think that was actually
19 about --

20 Q About who set up the meeting?

21 A Yes. He said if that needs clarification I can
22 do that when I testify at the House. That seemed

1 reasonable.

2 Q Did you tell Mr. Altman on March 1 that it was
3 the view of you and others at the White House that the
4 record needed to be supplemented as to what was discussed
5 at the February 2, 1994 White House meeting, specifically
6 to include or to add the fact that recusal had been
7 discussed?

8 A I think that my conversation with him was that we
9 were concerned about it, we thought that whether or not it
10 fit within the frame of his characterization as the meeting
11 being procedural, that there would be a reaction to a
12 further disclosure that the subject of recusal came up and
13 that it may be best to supplement the record.

14 My conversation closed without resolution on that
15 point or any direction on my part that he needed to
16 supplement the record with regard to recusal. He was going
17 to consider it. My recollection was it was under
18 consideration at Treasury and that he would continue to --
19 we would continue to kind of work through what was viewed
20 as an issue or a problem.

21 Q Did you tell Mr. Altman on March 1 that the White
22 House was going to supplement the record as to the subjects

1 discussed on February 2 if he didn't do it himself?

2 A No.

3 Q Why not?

4 A Because it was his testimony and I think I have
5 previously testified, I think we viewed these three issues
6 somewhat differently, and we haven't gotten to the third
7 one yet.

8 Q I may have misheard your testimony, but I thought
9 you said you and the others at the meeting in your office
10 on March 1 concluded that if Mr. Altman didn't supplement
11 the testimony as to the fact that recusal was discussed on
12 February 2, that the White House would.

13 A I think you misunderstood me. I don't think I
14 testified to that.

15 MR. BRAUNREUTHER: I don't think he did, either.

16 MR. KRAVITZ: My fault.

17 BY MR. KRAVITZ:

18 Q What was your discussion with Mr. Altman on March
19 1, 1994 regarding the question and answer from February 24
20 on the subject of whether officials at his agency had
21 informed the White House of the criminal referrals relating
22 to Madison?

1 A I raised the question that Senator Bond had asked
2 and gave back his answer which was were people from my
3 agency -- I have to go back to it again. I think I had the
4 transcript in front of me and I read from it.

5 Q It is one of those four tabs.

6 A It is the last one.

7 Q Why don't you read into the record exactly what
8 you told Mr. Altman over the phone to the best of your
9 memory.

10 A I may have characterized the testimony as opposed
11 to reading the record, but I think I had it in front of
12 me. I think I used the transcript, but I'm not precise
13 about whether I read it word for word or just characterized
14 that. Senator Bond asked "how was the White House notified
15 of the referral? Was it from your agency?"

16 "They were not notified by the RTC to the best
17 of my knowledge."

18 Q That's Mr. Altman's answer?

19 A Yes.

20 Q On February 24?

21 A Yes.

22 Q What was Mr. Altman's answer on March 1 when you

1 asked him about this?

2 A He said that's correct, that's accurate.

3 Q He said that his answer was accurate?

4 A Right.

5 Q Because he didn't know about --

6 A Because he didn't know --

7 Q He didn't know that any officials from the RTC or
8 the Treasury had provided information about criminal
9 referrals to the White House?

10 A Right.

11 Q Did he distinguish between officials from the RTC
12 and officials from the Treasury Department?

13 A Not in this conversation.

14 Q On March 1?

15 A On March 1.

16 Q You had identified that previously as possibly
17 providing some legal premise to the accuracy of that
18 answer. Do you remember that testimony?

19 A Yes.

20 Q That wasn't a distinction --

21 A That wasn't a distinction we made or he made in
22 the conversation.

1 Q What did you say in response to Mr. Altman's
2 statement that his answer of February 24 was accurate?

3 A I said I assumed that it was accurate, but I then
4 went on to the second question and said that nobody in your
5 agency, to your knowledge, and again, I don't know whether
6 I paraphrased this or actually read the testimony. Nobody
7 in your agency, to your knowledge, has advised the White
8 House staff that this could be a major source of concern,
9 and he answered "not to my knowledge."

10 Q Again, what you just said you are reading from
11 the transcript?

12 A Yes. I don't know whether I read him the
13 transcript or I characterized the transcript. I think I
14 was relatively specific.

15 Q What did Mr. Altman say on March 1 when you
16 either read or paraphrased that second question and answer
17 from February 24?

18 A He said that -- he again said that it was an
19 accurate answer. I said that there may be information at
20 your agency which you would have to -- let me think.

21 (Pause.)

22 I said to him that there may be information that

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1 he would have to acquire to supplement this answer. He
2 said I don't know whether we should be having this
3 conversation, or something to that effect. Then I said,
4 well, you may have a duty to supplement your testimony from
5 the perspective of an agency witness.

6 He, I think at that point, did not want me to
7 give him specific information about contacts that I was
8 aware of because I think he was at that point just not sure
9 about whether he should be learning additional facts
10 subsequent to the hearing.

11 I said to him, was Jean Hanson with you at the
12 hearing.

13 Q On February 24?

14 A On February 24. I knew that she was with him at
15 the hearing, but I asked him whether she was. He said she
16 was. I said, take this question and answer, sit down with
17 Jean, look at it and think about whether you need to
18 supplement this answer. That's the way we ended the
19 conversation.

20 Q As of March 1, 1994 when you were talking with
21 Mr. Altman on the telephone, you knew that the criminal
22 referrals, the RTC criminal referrals relating to Madison

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1 had been discussed at the White House between White House
2 and Treasury Department officials on September 29, 1993;
3 correct?

4 A Yes.

5 Q You also knew that those criminal referrals or at
6 least press inquiries related to them had been discussed at
7 the White House between White House and Treasury Department
8 officials on October 14, 1993; right?

9 A Yes.

10 Q It was your view that at least as to the
11 September 29 meeting, that was the information that needed
12 to be added to make the answer, Mr. Altman's answers more
13 complete; is that correct? That's what you had in mind in
14 terms of supplementing the answer?

15 A I'm not sure we made a distinction between the
16 two meetings in that regard.

17 Q It was information relating to those two
18 meetings?

19 A Yes.

20 Q Did you ask Mr. Altman when you spoke with him on
21 March 1, 1994 whether he knew about -- at that time whether
22 he knew about the September 29 or the October 14 meetings?

1 A No.

2 Q Did you ask Mr. Altman on March 1 whether he knew
3 about either of the fall 1993 meetings as of the time of
4 his testimony on February 24?

5 A No. As I think I have testified, the
6 conversation was sort of abbreviated. He, at least, didn't
7 want to discuss the factual underpinnings of what I was
8 getting into with me.

9 Q As of the time of your telephone conversation
10 with Mr. Altman on March 1, 1994, was it your understanding
11 that the September 29, 1993 meeting at the White House
12 regarding the criminal referrals had been held at
13 Mr. Altman's initiation?

14 A No.

15 Q You didn't have any information as of March 1
16 that Mr. Altman had directed Ms. Hanson to set up that
17 meeting and to bring the criminal referrals to the
18 attention of White House officials?

19 A No.

20 Q Is there anything else about your telephone
21 conversation with Mr. Altman on March 1, 1994 that you can
22 remember but you haven't yet told us about?

1 A No.

2 Q What was Mr. Altman's tone of voice or his
3 demeanor, to the extent you could determine it, over the
4 telephone during that conversation on March 1?

5 A I think sort of matter of fact, we were trying to
6 raise issues, work with through a problem on the first
7 issue. With regard to the third one --

8 Q The third one being the criminal referrals?

9 A The criminal referrals. I think he wanted to
10 confer with his people rather than me about that. That's
11 how I took it. You asked me about his tone of voice. I
12 sensed from sort of his tone of voice that he would rather
13 discuss this with his crew over there rather than with me,
14 the substance of this.

15 Q Now, by that time, Mr. Altman had in fact recused
16 himself; right?

17 A He had.

18 Q Was there any communication between Mr. Altman
19 and White House officials, to your knowledge, between the
20 time that Mr. Altman testified on February 24 and the time
21 that he announced his recusal on February 25?

22 A Not that I'm aware of.

- 1 Q How did you learn of Mr. Altman's recusal?
 2 A Mr. Steiner told me.
 3 Q When?
 4 A On February 25.
 5 Q What did Mr. Steiner tell you?
 6 A He told me had recused himself.
 7 Q Anything else?
 8 A He told me he was worried about an editorial that
 9 was about to hit the next day in The New York Times.
 10 Q Who was worried, Altman or Steiner?
 11 A Altman. No, that may be a mischaracterization.
 12 He said we were going to get hit with an editorial.
 13 Q This is what Steiner said?
 14 A Yes, to me, we were going to get hit with an
 15 editorial in The New York Times on the 26th, which was
 16 Saturday and that Roger was going to talk to the editorial
 17 page editor of The New York Times, Howell Rains, and that
 18 he was considering recusing himself and then he called me
 19 back to tell me he had recused himself. I talked to him
 20 twice.
 21 Q The first time you talked to Mr. Steiner on
 22 February 25, Mr. Steiner told you first that they had

- 1 information that The New York Times was going to run a
 2 negative editorial the next day?
 3 A Right.
 4 Q And second that Mr. Altman was planning to talk
 5 to The New York Times editorial person?
 6 A Right.
 7 Q And third that Mr. Altman was considering
 8 recusing himself?
 9 A Right.
 10 Q Did Mr. Steiner tell you during this first
 11 conversation on February 25 why Mr. Altman was recusing --
 12 was considering recusing himself?
 13 A No.
 14 Q What was your understanding as to why all of a
 15 sudden Mr. Altman was changing his position on recusal?
 16 A Well, I don't have an understanding based on
 17 anything Mr. Steiner told me.
 18 Q What was your understanding based on any source
 19 as to why -- you have testified now for several hours that
 20 throughout this period that you were preparing for the
 21 February 24 hearing, it was your understanding that
 22 Mr. Altman had already decided and was consistently of the

1 position that he was not going to recuse himself; right?

2 A Uh-huh.

3 Q What was your understanding, based on information
4 from any source as of the time that you had this first
5 conversation with Mr. Steiner why Mr. Altman, all of a
6 sudden, was undecided as to whether to recuse himself?

7 A He had gotten -- the meeting itself was
8 characterized -- The New York Times had run an editorial.

9 Q On February 25?

10 A They had run a story on February 25 criticizing
11 the meeting.

12 Q The February 2 meeting?

13 A Right. And that he was about to be hit with
14 another negative editorial on the 26th in The New York
15 Times. So I assumed that it was an analysis that it was --

16 Q It was based on information that Mr. Steiner
17 provided to you?

18 A No. It was based on my reading the February 25
19 New York Times story and Mr. Steiner telling me that there
20 was going to be a negative editorial on February 26. I
21 don't think he said "and therefore."

22 Q It was based on information Mr. Steiner gave you

1 that you drew this inference as to why Mr. Altman was
2 considering recusing himself; correct?

3 A It was -- I had the information that there was
4 going to be a negative editorial.

5 Q What did you do --

6 A And he told me he was considering recusing
7 himself. I don't know why we are sparring on this.

8 Q I don't know why we are.

9 A I assume it was because of the press.

10 Q What did you do when you learned during this
11 first conversation with Mr. Steiner on the 25th of February
12 that Mr. Altman was, all of a sudden, considering recusing
13 himself?

14 A Nothing.

15 Q Did you tell anyone at the White House?

16 A Not that I recall. I think that the space of
17 time between the two calls was short.

18 Q Just a few minutes?

19 A 10 minutes maybe. I was working. I was doing
20 other things.

21 Q Mr. Steiner called you again a short time later?

22 A Yes.

1 Q And what did Mr. Steiner tell you?

2 A He told me that he had recused himself.

3 Q That Altman had?

4 A Right.

5 Q Did Steiner tell you why Mr. Altman decided to
6 recuse himself?

7 A I don't think so. I don't recall. I don't
8 recall. He just told me.

9 Q Did Mr. Steiner indicate during this second
10 telephone call on February 25 whether Mr. Altman had
11 succeeded in reaching the person on The New York Times
12 editorial staff?

13 A Yes.

14 Q What did Mr. Steiner tell you about that
15 conversation between Mr. Altman and Howell Rains?

16 A Yes.

17 Q What did he tell you about the conversation
18 between Mr. Altman and Mr. Rains?

19 A He told me he had talked to Howell Rains and he
20 had recused himself.

21 Q What did Mr. Steiner tell you about the
22 conversation between Mr. Altman and Mr. Rains?

1 A This was a very brief conversation.

2 Q What was a very brief conversation?

3 A The second conversation. The first conversation
4 was pretty brief and the second was very brief. He said he
5 had talked to Howell Rains and he had recused himself. I
6 think he said --

7 Q You think who said?

8 A That's accurate.

9 Q Did you get the sense based on anything
10 Mr. Steiner said to you that Mr. Altman had finally decided
11 to recuse himself in an attempt to stave off a negative
12 editorial that had been threatened in The New York Times
13 the next day?

14 A No. No. I wouldn't ascribe that
15 characterization.

16 Q What is wrong about that characterization?

17 A "Staving it off."

18 Q Can you recharacterize it in a more accurate
19 way.

20 A I think everyone expected we were going to get a
21 negative editorial in The New York Times whether or not
22 Mr. Altman recused himself.

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1 Q Was it your understanding based on anything that
2 Mr. Steiner said to you that Mr. Altman had decided finally
3 to recuse himself in order to make the editorial that
4 everyone expected was going to come less negative than it
5 might otherwise have been?

6 A No. I think everyone expected it to be quite
7 negative.

8 Q As of your second conversation with Mr. Steiner
9 on February 25, what was your understanding as to the
10 reason why Mr. Steiner had finally decided to recuse
11 himself?

12 A Mr. Altman.

13 Q I'm sorry. Mr. Altman had decided to recuse
14 himself.

15 A I think that he just felt that it was -- again,
16 this is my assumption. I don't have any real specific
17 facts. That it was just unsustainable. He was in for a
18 barrage of negative publicity. It is the same reason that
19 Ricky Tigert -- well, no, it is not the same reason.

20 Q Did you report this information that you learned
21 from Mr. Steiner in the second telephone call to anyone
22 else in the White House?

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1 A Yes.

2 Q Who?

3 A Mr. Stephanopoulos.

4 Q What conversation did you have with
5 Mr. Stephanopoulos?

6 A I believe I went upstairs and told him. I think
7 I did this face to face -- that we were getting a negative
8 editorial in The New York Times and Roger talked to Howell
9 Rains and he recused himself.

10 Q What was Mr. Stephanopoulos's response?

11 A I don't recall a specific response.

12 Q When you talked to Mr. Steiner for the second
13 time on February 25, did Mr. Steiner tell you whether or
14 not Mr. Altman had announced his recusal to anyone outside
15 the Treasury Department, for example, Mr. Rains? In other
16 words, had the recusal been made public as of the time you
17 were informed of it?

18 A No.

19 Q To your knowledge --

20 A But he didn't tell me. I don't know whether it
21 had been or not.

22 Q To your knowledge, did anyone at the White House

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1 make any effort to contact Mr. Altman on February 25 and
2 persuade him not to recuse himself?

3 A No.

4 Q Either before or after he made his final decision
5 to recuse?

6 A No, not to my knowledge.

7 MR. KRAVITZ: Off the record.

8 (Discussion off the record.)

9 EXAMINATION

10 BY MR. BRAUNREUTHER:

11 Q Mr. Podesta, before we completed the majority's
12 questioning, I believe you identified a telephone
13 conversation with Mr. Stephanopoulos which would have been
14 on February 25; is that right?

15 A Face to face.

16 Q Face-to-face conversation. How long did that
17 meeting last?

18 A One minute. It was -- it was very brief. I came
19 in, I told him what I just heard from Steiner and left.

20 Q Were you going to be the individual within the
21 White House that was going to notify everyone that needed
22 to be notified that Mr. Altman had recused himself?

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1 A No, I don't think so. The reason I told George
2 was I think because this had taken on an aspect of being
3 basically -- being much more of a kind of a press issue and
4 a communications issue than anything else. I think that's
5 why I told him.

6 Q Do you recall when Mr. Steiner notified you of
7 the recusal that you said, and perhaps facetiously, that
8 you were not looking forward to that task of notifying
9 others within the White House, perhaps what you said was
10 that you were excited about that task and that you meant
11 that in a facetious way.

12 A I don't recall that.

13 Q Do you remember your impression generally --

14 A Sounds like me.

15 Q Do you recall having an impression about the task
16 before you in terms of notifying others in the White House
17 about this?

18 A Say that one more time.

19 Q Do you recall having an impression about whether
20 this was going to be an enjoyable task to notify others in
21 the White House about Mr. Altman's recusal?

22 A No.

1 Q Did Mr. Stephanopoulos, who was the first one you
2 notified --

3 A Just to give some context here. There is the
4 question of Howell Rains and The New York Times editorial
5 that was on the table, too, here. It may have been in
6 reference to that, too.

7 Q Did Mr. Stephanopoulos say anything when you
8 notified him that Altman was going to recuse himself?

9 A I have no distinct impression of anything he
10 said.

11 Q What did you do next? Did you notify anybody
12 else?

13 A I may have told Mr. Ickes, but I actually don't
14 recall that. He may have been the other person I would
15 have let know, I suppose.

16 Q Do you recall that Mr. Ickes learned very quickly
17 of the fact of the recusal, whether you had been the
18 individual to notify him or not?

19 A I am unaware -- I was not aware of that at the
20 time. I don't think I told him. I think -- I assume maybe
21 George told him. I don't know.

22 Q Do you know whether following your notice to

1 Mr. Stephanopoulos and Mr. Ickes --

2 A There has been press about this. I am trying
3 to -- what have I read versus what did I know. I don't --
4 at any rate, the only person I really remember telling is
5 George.

6 Q Do you recall learning that Mr. Stephanopoulos
7 and Mr. -- do you know whether anybody contacted Mr. Altman
8 that day to further discuss his recusal?

9 A To further discuss his recusal? No.

10 Q Do you know whether anybody else spoke to
11 Mr. Altman that day about any other matters?

12 A I only know what I have read in the press, which
13 is that there was a conversation between George and Harold
14 and Altman.

15 Q So you are familiar with press reports?

16 A I am familiar with press reports.

17 Q That Harold Ickes and George Stephanopoulos
18 angrily contacted, and I believe that's a quote, "angrily
19 contacted" Mr. Altman to complain about the fact that they
20 were not consulted prior to his recusal? You are familiar
21 with those reports in the press?

22 A Yes.

1 Q Do you have any independent knowledge of the
2 accuracy of those reports?

3 A No.

4 Q Did you speak to either Mr. Ickes or
5 Mr. Stephanopoulos about this incident either at the time
6 or when it was reported in the press?

7 A There was some discussion. I think I probably
8 talked to George about the style of how this was done.

9 Q What did he tell you about that?

10 A I'm not sure what he told me. I think we had a
11 conversation. I don't remember which side of the
12 conversation. I don't think it was the initial time I
13 talked to him, but we talked over the next few days. We
14 see each other every day. I don't know if it was that day
15 or the next day. I can't remember specifically.

16 Q Sometime within a short period after the actual
17 recusal?

18 A Right.

19 Q You had a conversation with Mr. Stephanopoulos
20 where you discussed his remarks to Mr. Altman --

21 A No. Where we discussed Mr. Altman's remarks --
22 Mr. Altman's recusal in the context of a conversation with

1 Howell Rains.

2 Q Can you relate to me, in your own words, what was
3 said in that conversation you had with Mr. Stephanopoulos.

4 A I think people thought it was weird.

5 Q Weird that what?

6 A That the style of doing this would be by telling
7 Howell Rains, by announcing this to Howell Rains, in a
8 conversation with Howell Rains. Make up your mind and
9 issue a press release, but not that.

10 Q Is that equivalent to saying there was discussion
11 that the better way would have been to notify someone other
12 than The New York Times in the first instance?

13 A No. I think it was -- the context was that
14 the -- I think you could have notified The New York Times
15 or Washington Post or AP in the form of a press release,
16 but doing it in the form of a conversation with the
17 editorial page editor of The New York Times was sort of
18 odd.

19 Q The criticism was that it wasn't a widespread
20 press release; correct?

21 A It just seemed like an odd way to do it.

22 Q To your knowledge, was there any sense within the

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1 White House staff that the White House itself should have
2 been notified prior to Mr. Altman making his decision and
3 disclosing his recusal decision to the Times in the manner
4 that he had?

5 A I don't remember that, although I have read that
6 subsequently. I don't remember that being a topic of
7 conversation at the time.

8 Q To your knowledge, that didn't occur?

9 A No. I didn't say that.

10 Q To the best of your recollection?

11 A I didn't even say that. I said I have read it
12 subsequently that it did occur, but I didn't know it at the
13 time.

14 Q If we were to eliminate what you read, you would
15 have no independent knowledge or recollection that there
16 had been any dissatisfaction expressed by anybody within
17 the White House as to the procedure followed by Mr. Altman
18 other than as you have described it in terms of a broader
19 press release?

20 A That was -- the only conversation I had was about
21 the fact that he did it to Howell Rains. What the
22 preferred method would have been, had anybody stopped to

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1 think about it, I think was kind of water under the bridge
2 at that point. I think whether it be done in a kind of
3 more through the course of a press release or something I
4 don't think we ever really discussed.

5 Q Aside from notifying Mr. Stephanopoulos, did you
6 directly notify anyone else that Mr. Altman had recused
7 himself?

8 A I don't recall specifically doing it, although it
9 would have been the kind of thing I would have probably
10 raised with either Mark Gearan or Dee Dee Myers, but I
11 don't remember doing it. I thought it was pressworthy,
12 noteworthy. So I would probably -- I assume if I thought I
13 had a piece of information that was press-noteworthy that I
14 would have told somebody in the press department, but I
15 don't remember doing that.

16 Q Do you recall notifying anyone else?

17 A No.

18 Q To the best of your recollection, you didn't
19 notify anyone in the White House counsel's office?

20 A I don't remember doing so. I mean, I could
21 have. We bump into each other a lot. I could have said
22 something.

1 Q Did you have any further discussions with
2 Mr. Altman that day, February 25?

3 A I not only had no further discussions, I had no
4 discussions with him on that day.

5 Q I believe you testified about the March 1
6 discussion that you had following the March 1 afternoon
7 meeting.

8 A Right.

9 Q Up to this point have you exhausted your
10 recollection of events from March 1?

11 A Pretty much, yes.

12 Q Which was a Tuesday, I believe?

13 A Yes.

14 Q Now, you are aware, are you not, that Mr. Altman
15 prepared a letter which he submitted to the Senate on March
16 2?

17 A Yes.

18 Q That would be following your discussions with him
19 on March 1?

20 A Yes.

21 Q Have you had an opportunity to see that letter?

22 A Yes.

1 Q When did you first see it?

2 A Sometime after it was sent. I mean, I don't
3 know. April, May, sometime. I don't know.

4 Q Is it your testimony --

5 A I didn't see it on March 2.

6 Q Are you aware that there were a series of letters
7 sent? I believe the first was on March 2, the second was
8 on March 3, the fourth was on March -- the third was on
9 March 11 and the fourth was on March 21?

10 A Yes.

11 Q Do you recall having seen any of those letters
12 during that period of time, March 2 through March 21? If
13 you want, I can show you copies of the letters because I
14 have them in front of me. They are at pages 336 through
15 340 in the minutes of the hearing.

16 MS. SABRIN: Do you have them as they were
17 produced by the White House, if they were?

18 MR. KRAVITZ: I don't think they were. I think
19 they may have been produced by the RTC, but I don't have
20 them here.

21 THE WITNESS: I don't believe I have ever seen
22 the March 11 or the March 21 letter. I have seen the March

1 3 letter and I can't really -- I can't precisely place when
2 I have seen it. I have seen the March 2 letter and seen
3 the March 3 letter. I think this is the first time I have
4 seen the March 11 or 21 letter.

5 BY MR. BRAUNREUTHER:

6 Q As we sit here today, you have had an opportunity
7 to briefly look at each?

8 A I don't believe I saw this at the time. I am not
9 sure when I saw the March -- I think I saw the March 3
10 letter before I saw the March 2 letter. I can't precisely
11 place when I saw it.

12 Q So that the record is clear, you have had an
13 opportunity between the questions to take a look at each of
14 the four letters which appear in the hearing book at the
15 pages I previously identified; right?

16 A Yes.

17 Q Now, can you tell me approximately when it would
18 have been that you saw any of those letters for the first
19 time?

20 A I think in March I saw the March 3 letter.

21 Q In March at about the same time it was written or
22 in March --

1 A No. Probably maybe a week later.

2 Q You would place your first notice of the first
3 time that you saw any one of these letters to be
4 approximately March 10?

5 A I can't precisely place it. I don't think I saw
6 it at the time it went out. I do believe I saw it sort of
7 in the time period where -- it may have been in the context
8 of the document production we have with Fiske. I think I
9 saw that then. I think that was the only letter I saw
10 then. I think I saw this March 2 letter sometime later
11 than that. Look, I don't have a precise recollection. So
12 we can --

13 Q Your best recollection --

14 A My best recollection is I saw the March 3 letter
15 kind of contemporaneous with when it was sent, a few days
16 later, maybe three or four days or maybe as much as a
17 week. I didn't see the March 2 letter until much later
18 than that, and I don't believe I have ever seen the March
19 11 or 21 letters until you just showed them to me.

20 Q When you did see the March 3 letter for the first
21 time, did you read it?

22 A Probably, yes.

1 Q Upon reading it, did you have any particular
2 thoughts about its accuracy?

3 A My recollection of this was just that they were
4 sending the --

5 (Pause.)

6 I viewed this letter as basically confirming
7 information that I had previously had about the designated
8 ethics officer having cleared the meeting.

9 Q Let me show you a document marked X872 which
10 appears to be a fax from Mr. Altman to various individuals
11 within the White House, with a distribution list of six
12 individuals which does not include yourself. I am going to
13 ask you whether that may refresh your recollection whether
14 one of those individuals might have circulated the letter
15 to you at about that time.

16 A That's quite possible. I don't have a specific
17 recollection of receiving it with this buck slip, but that
18 is quite possible. Any of these people might have sent
19 it.

20 Q At that time, March 3 --

21 A The fax is March 4.

22 Q The fax is March 4. I am not sure that the

1 letter was actually sent to the Senate on March 3. I don't
2 know whether it was or was not, but at that time, March 4,
3 weren't you still involved in the process of reviewing
4 Mr. Altman's testimony and doing whatever follow-up was
5 deemed necessary at the time?

6 A I'm trying to precisely place these dates. Does
7 anybody have a calendar?

8 Q I can tell you --

9 A Was March 4 a Friday?

10 Q Yes.

11 A Let me give you what my best recollection of this
12 is. We have the conversation on the 1st. On the 2nd, I
13 was told by someone in the White House -- I don't know
14 whether it was Mr. Eggleston or Mr. Stern, but I think it
15 was one of the two of them, that a letter on the meetings
16 had gone forward. That would be the March 2 letter.

17 I didn't see the March 2nd letter, but I was told
18 that he had sent a notification to the Senate Banking
19 Committee on those two meetings. That was my principal
20 concern, as I previously testified. When I say "principal
21 concern," that was the issue I that, at the conclusion of
22 the meeting on March 1, I think everyone was of the view

1 had to be corrected.

2 In my mind, it had been corrected on March 2 and
3 it had been corrected only because I was informed that he
4 had sent the letter describing these two meetings to the
5 Senate. I didn't review the text of it at that point. On
6 March 3, there was a story, I think, at least in the Post,
7 I think, and in other newspapers that references that
8 letter.

9 Q So you read the stories about the letter, but you
10 didn't read the letter?

11 A I read the stories about the letter. I think it
12 references the letter. It at least references the
13 meetings. It, I think, references that he had sent the
14 letter to Riegle.

15 Q It is your testimony that after you discussed on
16 March 1 the need -- after you discussed with Mr. Altman the
17 need for him to prepare a letter to correct the record,
18 that you never actually reviewed the letter after it was
19 sent?

20 A I did not review the letter after it was sent.

21 Q Was that letter available to you within the White
22 House staff?

1 A Not to my knowledge.

2 Q I believe you testified that both -- that either
3 Mr. Eggleston or Mr. Stern had a copy; is that right?

4 A No. I said they informed me that he had sent a
5 letter.

6 Q To your knowledge --

7 A I think they received that information
8 telephonically.

9 Q Did any of the people who participated in the
10 discussions on March 1 concluding with the agreement that
11 you should contact Mr. Altman advise him that it was
12 necessary to consider correcting the record? Did any of
13 those people have a copy of the letter after it was sent?

14 A I don't know whether they did or they didn't. I
15 didn't.

16 Q Would you consider it odd that they wouldn't want
17 to get a copy of the actual text of the letter that he sent
18 to the United States Senate to determine whether it
19 adequately satisfied their concerns?

20 A If you will recall what happened that week, there
21 was a good deal of press critical of contacts between the
22 Treasury and the White House on these matters which

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1 ultimately resulted in the receipt by the White House of
2 the subpoenas by Mr. Fiske, and of a number of individuals
3 at the White House for individual subpoenas by Mr. Fiske,
4 including their request that they appear before the grand
5 jury. I think the mood at the time was that whatever he
6 was doing, that more contact was not sort of in order.

7 Q So the oddity that I had tried to identify is
8 a -- let me finish -- is a direct result of an affirmative
9 effort by the White House staff not to get involved with
10 reviewing letters that were sent to the Senate?

11 A It wasn't an affirmative effort. I think it was
12 more people just essentially feeling this -- it was just we
13 disengaged from Treasury and the RTC completely.

14 Q As of March 2 --

15 A This letter came over on the 3rd. It is not
16 complete.

17 Q In fairness, the document I have shown you was a
18 document that was faxed.

19 A It came faxed over.

20 Q You don't control what the Treasury sends -- the
21 White House staff doesn't control what was sent to them by
22 fax on March 4?

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1 A Correct.

2 Q What I would like to understand from the White
3 House side of the transaction, was there in fact an
4 affirmative decision to effectively disengage themselves
5 from this process?

6 A I wouldn't describe it that way.

7 Q I believe you used the word "disengage."

8 A Said we were disengaged.

9 Q Was there a decision to disengage?

10 A I think it was the result of lots of negative
11 publicity which ultimately culminated in Mr. Fiske's
12 subpoenas. The negative publicity may not have culminated
13 but the result of getting subpoenaed generated the negative
14 publicity.

15 Q I believe Mr. Fiske's subpoenas didn't arrive
16 until, the earliest was the 4th.

17 A Right.

18 Q I'm speaking now about the 2nd and the 3rd,
19 because I believe there were letters sent on each of those
20 two days and I'm trying to get an understanding as to why
21 the White House wouldn't have an interest in following up
22 to review these letters for accuracy.

1 A I think in the normal course of events, we would
2 have had an interest. These events weren't normal at that
3 point.

4 Q Let's examine March 2. We know a letter was sent
5 on March 2 to the Senate.

6 A It is dated March 2. My understanding is that it
7 was sent to the Banking Committee or Senator Riegle --

8 Q It is also your testimony --

9 A -- on the 2nd.

10 Q It is also --

11 A I was told that at any rate.

12 Q Okay. Are you finished?

13 A Yes.

14 Q If you want to expand on an answer, don't
15 hesitate. It is important that the record be accurate.

16 It is also your testimony that on March 2, to the
17 best of your knowledge, no one within the White House
18 received a copy of the March 2 letter and no one within the
19 White House reviewed the text of that letter; correct?

20 A I am unaware that anyone received a copy of the
21 letter.

22 Q It has also been your testimony that there was

1 some negative press which had a chilling effect; that is a
2 fair characterization, on the relationship between the
3 White House and the Treasury?

4 A That would be fair.

5 Q Is it your testimony that that is the reason, the
6 negative press regarding the White House-Treasury contacts,
7 that no one sought to review the letter, or was it just
8 something that slipped through the cracks?

9 A I think that it would have -- it depends on --
10 "review" sounds like -- there is at least an implication
11 in my mind that -- in the normal course of events, we would
12 certainly look at it after it was sent but for that.

13 Q You don't believe it happened in this case and
14 you believe it didn't happen --

15 A I didn't do it. I know of nobody who did.
16 Whether anyone in counsel's office ultimately looked at it
17 or whatever, I'm not aware of.

18 Q Could you tell me whether there were any
19 discussion within the White House about not looking at the
20 letter and reviewing it in the manner which otherwise might
21 be suggested?

22 A No, I don't think so. I am unaware of any

1 conversations.

2 Q That would be basically independent
3 individualistic decisions not to take a look at it? Let me
4 move on. Let me move on.

5 Did anything occur on March 2, to the best of
6 your recollection, regarding Mr. Altman's testimony and
7 further discussions within the White House about the need
8 to clarify, amplify his prior testimony?

9 A On March 2?

10 Q Yes.

11 A Yes.

12 Q What happened?

13 A The Washington Post was working on a story on the
14 October 14 meeting on March 2. There was -- I think that
15 there -- there were some discussions about how to handle
16 that story in terms of responding to the reporter. I think
17 those were all on the White House side. I think it was
18 that in the context of that, we also wanted to make sure
19 that this September 29 meeting which is my recollection
20 that The Washington Post did not know about was disclosed
21 in the context of that.

22 Q Who participated in these discussions that you

1 described?

2 A I think that was kind of a revolving bunch of
3 discussions. I think I talked to Gearan about it, might
4 have talked to George.

5 Q Anybody else?

6 A Maybe Dee Dee. I don't remember. I think I
7 talked to Gearan. I think he was handling that.

8 Q What was the argument that was being put forth
9 that it would be necessary to notify the press about the
10 September 29 discussions which up to that point had not
11 been disclosed?

12 A It was just if they decided they were working
13 on -- at that point, I knew about both meetings and, at
14 least on the press side, I think it was just get it out
15 there, if there is a second meeting, let them know about
16 that one, too.

17 Q The press had inquired and had only identified by
18 themselves the October 14 meeting?

19 A That's my recollection.

20 Q Within the White House, you and others realized
21 there was another meeting on September 29?

22 A Right.

1 Q And that in order to not give this story even
2 more in the way of legs, it would be prudent to disclose in
3 this context the September 29 meeting as well?

4 A Right.

5 Q Was that decision to disclose the September 29
6 meeting to the press approved or discussed with
7 Mr. Nussbaum?

8 MR. KRIEGEL: I think we are kind of getting off
9 course here a bit. We are now talking about press
10 relations, not contacts. This is --

11 MR. BRAUNREUTHER: September 29 was a discussion
12 between the Treasury and the White House about criminal
13 referrals. This is the first time that this disclosure --
14 this meeting is being made public. I think it is fair to
15 question about the circumstances which led to that
16 disclosure.

17 MR. KRIEGEL: It is already -- I think the
18 testimony has already been that it was disclosed to the
19 committee and there were press accounts of the disclosure.
20 You can go a little bit further here. I'm just saying that
21 I think we are starting to drift away from the contacts
22 themselves into the aftermath which doesn't involve any

1 further contacts and at some point I think we have to draw
2 a line here.

3 MR. BRAUNREUTHER: In my view, it is relevant.

4 MR. KRIEGEL: Go ahead.

5 THE WITNESS: I don't think I talked to
6 Mr. Nussbaum.

7 BY MR. BRAUNREUTHER:

8 Q Did you speak to anyone else in the White House
9 about making this disclosure?

10 A The person I specifically remember talking to is
11 Mark. I may have talked to George and Dee Dee. I'm not
12 sure. Do you want me to answer the question?

13 Q Yes.

14 A My deputy counselor.

15 Q Anybody else?

16 A I don't remember anybody else. I might have
17 talked to Eggleston. I don't think I talked to Bernie.

18 Q As a matter of fact, that September 29 meeting
19 did involve discussions about criminal referrals; correct?

20 A Well, I wasn't there.

21 Q As a matter of your understanding, having had it
22 related to you now by several individuals in the course of

1 prior discussions, you knew that September 29 meeting
2 involved a disclosure of criminal referrals?

3 MR. KRIEGEL: I will object to the form of the
4 question to the extent that it implies there were
5 discussions with "several individuals."

6 BY MR. BRAUNREUTHER:

7 Q With that understanding, is it true that as you
8 addressed the issue of disclosing -- withdrawn. Let me
9 rephrase it.

10 Is it true that as you and others within the
11 White House addressed the issue of whether there should be
12 a disclosure of the September 29 meeting, you were aware
13 that that meeting pertained to disclosure of criminal
14 referrals; right?

15 A I was aware that the matter of criminal referrals
16 had been raised at that meeting.

17 Q Was there any mention during these discussions on
18 March 2 about whether or not the fact of the meeting should
19 be disclosed, that to do so would also require disclosing
20 that the meeting pertained to criminal referrals?

21 A I just don't know enough about the meeting to use
22 the -- to kind of accept your word "pertain." I think

1 criminal referrals were mentioned at the meeting. My
2 recollection, I should go back to it, it is clear in the
3 context of Bond's question. So I think he --

4 Q Maybe my question wasn't clear. What I want to
5 focus on is your discussions with others on March 2 and the
6 contemplated disclosure of the September 29 meeting.

7 A Right.

8 Q During those discussions, did anyone discuss the
9 fact that this would entail a disclosure relating to
10 criminal referrals in any way?

11 A Yes.

12 Q What were those discussions?

13 A I don't specifically remember. I think, again,
14 we had focused on March 1 on the fact that the criminal
15 referrals had come up in these meetings, but I don't
16 specifically remember how to frame it. I think we were
17 trying to disclose the existence of these two meetings that
18 were relevant to the Bond question.

19 MS. SABRIN: The fact of criminal referrals may
20 have been part of the public knowledge.

21 BY MR. BRAUNREUTHER:

22 Q Whatever this add-on was with respect to the

1 September 29 meeting, is it fair to say that you could
2 expect further unfavorable press from the added disclosure
3 of the September 29 meeting?

4 MR. KRIEGEL: I think we have gone far enough
5 down this line. Whether or not they were expecting
6 unfavorable press has nothing to do with contacts. Let's
7 deal with the contacts.

8 MR. BRAUNREUTHER: Are you instructing the
9 witness not to answer the question?

10 MR. KRIEGEL: Yes.

11 BY MR. BRAUNREUTHER:

12 Q Did you discuss with others the implications
13 which would follow from disclosing the fact of the
14 September 29 meeting?

15 MR. KRIEGEL: This is not pertinent, either.

16 MR. BRAUNREUTHER: Are you instructing the
17 witness not to answer the question?

18 MR. KRIEGEL: Yes. I think the scope of this
19 hearing has to do with what he knows about contacts between
20 the RTC or the Treasury on the one hand and the White House
21 on the other. This just does not have anything to do with
22 that.

1 BY MR. BRAUNREUTHER:

2 Q During the course of your discussions on March --

3 MR. BRAUNREUTHER: You can instruct the witness
4 not to answer. I understand, on the last couple questions,
5 you have; is that clear?

6 MR. KRIEGEL: Yes.

7 MR. BRAUNREUTHER: I don't intend to debate
8 whether he should or should not answer the questions. You
9 have stated your objection and the record should be clear
10 you have instructed the witness not to answer.

11 BY MR. BRAUNREUTHER:

12 Q Did you participate in any other discussions
13 between March 2 and March 4 where the details of -- where
14 the White House-Treasury contacts were discussed?

15 A I have no specific recollection of that. I don't
16 have any general recollection of it, either. I don't
17 know. I don't remember. If I did, I don't remember.

18 Q Is it your testimony that as of March 2, your
19 involvement in discussions regarding Treasury-White House
20 contacts had concluded?

21 A I don't recall having any other conversations
22 about the testimony after March 2. About correcting the

1 record.

2 Q And you did not participate in any discussions
3 and you have no knowledge about any discussions within the
4 White House about the accuracy of Mr. Altman's letters to
5 the Senate which you previously reviewed here today at
6 pages 336 through 340 of the record of February 24?

7 THE WITNESS: Can I have that again, please.

8 (The reporter read the record as requested.)

9 THE WITNESS: Well, I think we are -- I think I
10 need to confer with my counsel here.

11 MR. BRAUNREUTHER: Okay.

12 (Recess.)

13 MR. BRAUNREUTHER: I understand, based on an
14 earlier question, counsel objects to this question to the
15 extent it requires information after approximately March
16 25, to the extent it requires information regarding
17 preparation for giving testimony with respect to this
18 matter.

19 On that basis, let me limit my question to the
20 period prior to March 25, with an understanding we have
21 agreed to disagree about the subsequent period.

22 MR. KRAVITZ: My understanding is your objection

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1 really is information the witness may have learned by
2 talking to others at the White House in preparation for
3 testimony before the Senate committee in the upcoming
4 hearings. Is that more accurate?

5 MR. KRIEDEL: In anticipation of these hearings;
6 conversations at the White House in anticipation of these
7 hearings, correct.

8 MR. KRAVITZ: So March 25 may not be a good
9 date.

10 BY MR. BRAUNREUTHER:

11 Q For the purposes of this question, use March 25.
12 Can you answer the question with respect to the time frame
13 up to March 25.

14 A I don't recall participating in any conversations
15 about any of these letters.

16 Q I take it your last conversation with Mr. Altman
17 was on the evening of March 1 where you communicated the
18 concerns of the White House staff who participated in the
19 afternoon conversation?

20 A On this matter?

21 Q Yes.

22 A Yes.

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1 Q Have you had other discussions with Mr. Altman
2 after the March 1 conversation?

3 A Mr. Altman is still Deputy Secretary of the
4 Treasury and I still work in the White House. I see him in
5 the hallway and stuff. I am sure we sat in on a meeting.

6 Q You have had not discussions which in any way
7 relate to this matter, the Madison/Whitewater matter?

8 A No.

9 Q And Treasury-White House contacts that have been
10 the subject of this kind of broad inquiry?

11 A No.

12 Q Do you recall having a conversation with
13 Ms. Hanson on March 2?

14 A No.

15 Q Is it your recollection you didn't have a
16 conversation or that you just --

17 A I don't recall having a conversation with her.

18 Q Let me show you a document which is X00006 which
19 appears to be a note on White House stationery. I ask if
20 you recognize it.

21 A No.

22 Q Do you recognize the handwriting on that note?

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1 A It looks like Stern.

2 Q Do you recall whether Mr. Stern on March 2 had
3 any communications with Ms. Hanson?

4 A I don't know.

5 Q Do you know whether anybody was communicating
6 with Ms. Hanson on March 2 about these matters?

7 A Actually I don't know. I am drawing a blank on
8 this.

9 Q I believe one of the last things you said to
10 Mr. Altman in your March 1 discussion with him is that
11 perhaps he should have Ms. Hanson take a look at the fall
12 meetings.

13 A Yes.

14 Q Do you have any recollection of whether this
15 apparent discussion with Ms. Hanson may have been the
16 result of your suggestion to Mr. Altman?

17 MR. KRIEDEL: Is that legible, that document?

18 MR. BRAUNREUTHER: Not very.

19 THE WITNESS: Do you have a translation?

20 BY MR. BRAUNREUTHER:

21 Q That doesn't refresh your recollection?

22 A Not at all.

1 MR. KRAVITZ: That is in the condition the White
2 House gave it to us in.

3 BY MR. BRAUNREUTHER:

4 Q Do you recall whether you participated in any
5 meetings on March 4 with others where people apparently
6 gathered to discuss the facts and circumstances underlying
7 these Treasury-White House contacts?

8 A There was a meeting on March 4 that was
9 abbreviated by the -- the only reason I remember this at
10 all is because the word that Fiske was sending the
11 subpoenas up came on March 4 and there was a meeting. I
12 have no other real recollection of it other than that. I
13 don't remember what the subject matter was.

14 Q Do you recall where the meeting took place?

15 A I'm not sure. It was not in my office. I can't
16 place it.

17 Q Do you actually recall the meeting?

18 A Yes, I recall the meeting because I recall the
19 subpoena issue and that -- this is the vaguest of memories
20 for me.

21 Q Let me show you a document dated March 4 which
22 was produced by the White House. It is marked X878. It

1 has a number of pages which continue through 888.

2 A Okay.

3 Q In fact, this may be a number of different
4 documents which are not closely related. I am going to ask
5 you if you recognize the handwriting which appears on the
6 first document. I believe, but I can't state with
7 certainty, that that is from Dee Dee Myers' file.

8 A I don't recognize her handwriting. I don't
9 know.

10 MR. KRIEGEL: May I ask if this document relates
11 in any way to contacts between the White House and Treasury
12 regarding Madison -- the face of it appears to be a
13 document that relates to the fact the independent counsel
14 was serving.

15 BY MR. BRAUNREUTHER:

16 Q There is a statement at 884 which reads as
17 follows: "WH officials later recalled that Roger had
18 raised issue of whether he should recuse. White House
19 officials say they advised him to look at the legal-ethical
20 obligations and make decision; subtext if there is no legal
21 obligation, don't," and I believe that pretty much
22 coincides with your earlier testimony about what

1 Mr. Nussbaum said; right?

2 A Uh-huh. This is dated 3/3/94. I was just -- I'm
3 sorry. I have a habit of saying uh-huh. What is the
4 question?

5 I was just following along with your explanation
6 of the document. I'm sorry. If I answered something, I
7 don't know what I answered.

8 Q I had begun to ask whether or not --

9 MR. KRIEGEL: Is this a freestanding document
10 that happens to be clipped together with a bunch of other
11 stuff?

12 MR. BRAUNREUTHER: I don't know. I am saying
13 this was a document -- these are pages that were produced
14 by the White House stapled together. I have no reason to
15 believe, other than the fact that they are stapled
16 together, that they were prepared simultaneously. In fact,
17 if you look at the individual pages which you are welcome
18 to do, it would seem they may have been generated at
19 different times. Nevertheless, they do seem to pertain to
20 the matters at hand and they do seem to be documents
21 reflecting on the events which we have been discussing and
22 they do appear to have been prepared in the first week in

1 March.

2 I'm asking the witness both does he recognize
3 them and if not, does it refresh his recollection as to
4 whether or not there were discussions within the White
5 House regarding past events.

6 THE WITNESS: I'm not sure what these documents
7 are. I don't recognize them. What is the second
8 question?

9 BY MR. BRAUNREUTHER:

10 Q Does it refresh your recollection as to whether
11 or not meetings were held within the White House during the
12 first week of March to discuss the facts involving the
13 White House-Treasury contacts which have been the subject
14 of our questions here today?

15 MR. KRIEGEL: You happen to have another copy of
16 this document?

17 MR. BRAUNREUTHER: We are severely restricted.
18 It hampers our ability to effectively question witnesses.
19 We only are allowed to have limited copies.

20 MR. KRIEGEL: There is a lot of stuff here to
21 read that I can't read and he hasn't seen before. Are
22 there particular passages that you want to focus on here?

1 THE WITNESS: The only thing -- so far the only
2 thing that refreshes my recollection is it says "on March
3 3, Mack, at the senior staff meeting, began to define the
4 rules of contact with independent agencies," I'm just
5 reading this thing.

6 BY MR. BRAUNREUTHER:

7 Q You are reading from X882?

8 A Yes. I don't remember that conversation.

9 Q Let me ask you some questions about it.

10 A That is consistent with my previous testimony
11 that by March 3 I think people were backing away from any
12 contact with Treasury on matters we had discussed on March
13 1.

14 Q To the best of your recollection --

15 A You started off by talking about a March 4
16 meeting. This does not refresh my recollection about the
17 March 4 meeting.

18 Q Let me direct your attention specifically to
19 pages 884 and 885, which bear the date March 3, 1994 and
20 appear to have entries pertinent to the matters we have
21 been discussing and ask if that refreshes your recollection
22 as to whether or not meetings took place within the White

1 House about that time to discuss the facts relating to
2 White House-Treasury contacts.

3 MS. SABRIN: That he participated in?

4 MR. BRAUNREUTHER: If he has any knowledge about
5 them, whether he participated in them or not.

6 (Witness examined the document.)

7 THE WITNESS: I don't specifically recall sitting
8 with Dee Dee whose notes I believe these are and going
9 through this, but it is something I do all the time on all
10 kinds of matters. I don't have a specific recollection of
11 the meeting. It would be likely, I think, that I would
12 have participated in a meeting in which she was doing a
13 download.

14 BY MR. BRAUNREUTHER:

15 Q A download?

16 A Of information, what happened.

17 Q By download --

18 A The other documents she uses the word "tick tock"
19 just what happened, because she is going to get press
20 questions and has to answer them.

21 Q In giving that testimony, you are referring
22 specifically to documents 884 and 885; correct?

1 A Yes.

2 Q And obviously you're not a handwriting expert,
3 but does that appear to be Ms. Myers' handwriting which
4 appears on 884 and 885?

5 A I'm not certain. I assume that it is. I'm not
6 certain.

7 Q I don't want you to assume based on the fact that
8 we have shown it to you. Is it based on your recollection
9 of what her handwriting is without giving a conclusive
10 opinion as to whether or not it is?

11 A I think that's correct.

12 Q Do you recall -- I'm not saying you did. I'm
13 just inquiring whether you have any recollection of meeting
14 with Ms. Myers or others within the White House, including,
15 for example, Mr. Klein, to discuss the facts and
16 circumstances surrounding these matters at that time?

17 A I already testified I think that it is likely
18 that I would have, but I can't specifically place a
19 meeting.

20 MS. SABRIN: With Mr. Klein and Ms. Myers?

21 THE WITNESS: With Mr. Klein or Ms. Myers.

22 BY MR. BRAUNREUTHER:

1 Q Or anybody else, for that matter.

2 A Right.

3 Q The reason I'm asking this question, frankly, is
4 it would appear there was some effort, for whatever
5 purpose --

6 A I probably stand in her office a hundred times
7 going over one thing or another. I don't specifically
8 remember this. It is likely, if she was sitting there
9 taking this information, I would have participated in
10 that.

11 Q I want to show you what has been marked X981
12 which bears the caption "talking points re: February
13 meeting."

14 I ask you to peruse that and tell me if you can
15 identify that document.

16 (Witness examined the document.)

17 A No.

18 Q Are you familiar with the idea or the concept of
19 people preparing talking points? What are "talking
20 points"?

21 A Talking points are something that you would use
22 to make your case or state the facts. It depends on the

1 context.

2 Q Could they be used to brief someone to prepare
3 them to address the press in connection with specific
4 issues?

5 A Could be.

6 Q Were you involved at all during the first week of
7 March in preparing talking points or providing information
8 to others so that they could prepare talking points for the
9 press?

10 A I could have been but I don't have a specific
11 recollection of it.

12 Q Do you have any recollection --

13 A There was a lot going on then. I just don't
14 remember that I personally participated in preparation of
15 talking points or not.

16 Q Do you recall whether you, during that week of
17 the first week of February, were asked questions about your
18 information with respect to this matter so that it could be
19 used for the preparation of talking points?

20 A I have no -- let me try it again.

21 I don't have any specific recollection about
22 this. But it would have been natural for me to participate

1 in meetings with Dee Dee. I don't place myself in a
2 particular room at a particular time, but I would have
3 assumed that they probably would have asked me about it.

4 MR. KRIEDEL: Just for the record, is the source
5 of this document -- does this document identify its author,
6 whether it was prepared in the White House or the Treasury
7 Department or just anything at all?

8 MR. BRAUNREUTHER: It is a document which was
9 produced by the White House. I'm not sure as I sit here
10 right now from whose file it was produced. It is quite
11 possible it came from Ms. Myers' file. Frankly, I'm
12 offering it to the witness to see if it in any way
13 refreshes his recollection as to any ongoing discussions
14 during the week of February 28 to March 4 regarding the
15 facts and circumstances which we have been inquiring
16 about.

17 THE WITNESS: All I can tell you is there was
18 significant press interest in this issue, and I assume that
19 I participated in those conversations about how to respond
20 to the press on the issue. But I don't have a specific
21 recollection of what I said or what I did. I don't think I
22 prepared that. I could have seen it. I don't remember

1 seeing it.

2 BY MR. BRAUNREUTHER:

3 Q Do you have a recollection that there was a
4 substantial level of activity within the White House during
5 that week to coordinate a response effort to the press by
6 gathering information from all sources?

7 A There was a significant amount of press interest
8 in this. We were trying to respond to the press.

9 Q Is it true that there was a significant amount of
10 activity within the White House to gather information to
11 respond to those press inquiries, if you recall?

12 A I don't recall.

13 Q Have you told us everything that you can recall
14 about that time period following Mr. Altman's testimony on
15 February 24 up to March 4 when subpoenas were served by
16 Mr. Fiske?

17 A Yes, I think so.

18 Q Do you recall any other meetings that you haven't
19 yet identified for us?

20 A I told you I remember being in a meeting in
21 which -- a meeting on the 4th that I have previously
22 identified. I can't remember what we were talking about.

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1 I remember it was gloomy, that the subpoenas had arrived.

2 Q Now, I want to take you back to your discussion
3 on March 1. Maybe since we only have about another hour,
4 maybe I should take this from the beginning and try to run
5 through these things.

6 Let me bring you back to the period shortly
7 before the February 24 hearings and your testimony
8 regarding the preparation for those hearings. I believe
9 you testified you were aware that Mr. Altman had to answer
10 questions with respect to recusal?

11 A Right.

12 Q And that issue had been identified within the
13 White House as something Mr. Altman should be alerted to
14 and he should be prepared to testify accurately about that?

15 A It had been identified by me at the White House,
16 yes.

17 Q I think you testified you discussed it with
18 others.

19 A I believe I discussed it at least with Griffin.

20 Q Is it fair to say that no one can absolutely
21 script what question the Senators are going to ask?

22 A Correct.

1 Q So the question, as you looked at it, would be a
2 general inquiry into the area of White House-Treasury
3 contacts and in particular the February 2 meeting; is that
4 right?

5 A We just have gone from recusal to contacts in
6 your question. Are you working me up on recusal here?

7 Q Yes. All aspects of the recusal issue could be
8 probed at the February 24 hearing?

9 A Correct.

10 Q And it was your understanding that Mr. Altman was
11 to be prepared to make a complete disclosure that the
12 February 2 meeting entailed discussions about disclosure?

13 A About recusal.

14 Q About recusal.

15 A I don't have a specific recollection in that time
16 frame of that point. Again, this is boring because a lot
17 happened in the course of a very short period of time. I
18 separate those two things. I knew he had to be completely
19 prepared on recusal and to answer a question on February
20 2. Whether I was aware that recusal had come up in the
21 February 2 meeting and that he needed to be able to discuss
22 recusal, I just don't remember. I don't remember whether I

1 knew that or didn't know that at that time.

2 Q "At that time" being February 22?

3 A Yes, February 22, 23. It is possible. I just
4 don't have the specific recollection of that.

5 Q So you don't know when you first learned that the
6 February 2 meeting included a discussion of recusal?

7 A I think -- I can't positively place that, no.

8 Q Do you recall testifying earlier that in the
9 course of discussions in preparation for the February 24
10 hearings, you specifically discussed what had occurred at
11 the February 2 meeting?

12 A No.

13 Q You testified that Mr. Nussbaum in relating to
14 you -- withdrawn.

15 You testified earlier that you had discussions
16 with Mr. Nussbaum on approximately February 22 where he
17 related to you the events of the February 2 meeting;
18 correct?

19 A No. That's not what I testified to, I don't
20 think.

21 Q Did you have a meeting with Mr. Nussbaum on
22 February 22 where you discussed the upcoming testimony?

1 A Yes.

2 Q And in that meeting, did Mr. Nussbaum offer his
3 opinion about a Ms. Ellen Kulka?

4 A Yes.

5 Q And you recall that you testified that
6 Mr. Nussbaum indicated to you that he was concerned, as you
7 put it, about her impartiality and fairness; right?

8 A Right.

9 Q Did you understand from the context of that
10 discussion that Mr. Nussbaum was concerned -- that this
11 concern related to Mr. Altman's recusal?

12 A No.

13 MR. KRIEDEL: For the record, I believe the --
14 this was a meeting at which other people -- I believe the
15 testimony has been that other people were present. The way
16 it is being framed now it may sound like it was a
17 one-on-one meeting.

18 MR. BRAUNREUTHER: I agree.

19 BY MR. BRAUNREUTHER:

20 Q There was a meeting attended by others in which
21 Mr. Nussbaum commented on Ms. Kulka's impartiality and
22 fairness in a critical matter?

1 A Right.

2 Q Did you understand that Ms. Kulka was the person
3 who would have to make a decision on the Madison Guaranty
4 case if Mr. Altman recused himself?

5 A Well, I don't know whether I understood it then.
6 It seems to me that Ryan would take the case now. I don't
7 know what I knew then.

8 Q Let me try to take you back to your own thoughts
9 as they may have been on February 22.

10 A Okay.

11 Q You would agree that Mr. Nussbaum wouldn't just
12 make a comment about Ms. Kulka gratuitously without it
13 having some relationship to the matters which were under
14 discussion in the meeting?

15 A Correct.

16 Q And one of the matters which was under discussion
17 at the meeting was Mr. Altman's recusal?

18 A I think recusal was mentioned at the meeting.

19 Q I believe you said that it was mentioned in terms
20 of Mr. Altman's upcoming testimony and the need for him to
21 testify accurately about his recusal; correct?

22 A Correct.

1 Q Was it in that context at that same meeting that
2 Ellen Kulka's name was brought into the conversation --

3 A That is not my recollection of the conversation.

4 Q Then can you tell me how it is that during the
5 course of this meeting where Mr. Nussbaum was discussing
6 Mr. Altman's testimony regarding recusal that Ms. Kulka's
7 name also came up?

8 A I think he was referring to Mr. Altman leaving
9 the RTC on March 30.

10 Q In the event that Mr. Altman left the RTC on
11 March 30, decisions would then fall to Ms. Kulka?

12 A Right.

13 Q And it was in that context that he expressed a
14 view about her impartiality and fairness in making
15 decisions going forward?

16 A Correct.

17 MR. KRIEDEL: Lack thereof.

18 THE WITNESS: Right.

19 BY MR. BRAUNREUTHER:

20 Q Would accounts of his statements or his views of
21 her to the effect that he considered her tough or too
22 aggressive to be consistent with what he stated to you on

1 that date, February 22?

2 A I don't view tough -- I don't recall. I think I
3 said what my impression was already.

4 Q Incidentally, is it your understanding that
5 Mr. Nussbaum's involvement in these discussions on February
6 22 were borne of a just general generic interest in the way
7 the RTC was operated or pertaining particularly to what was
8 then anticipated to be some extensive questioning about the
9 Madison Guaranty/Whitewater matter at the upcoming
10 hearings?

11 A I think it was the latter.

12 Q In fairness, Mr. Nussbaum, his title was chief
13 counsel?

14 A Counsel to the president.

15 Q And he is a very busy man; correct?

16 A I think, yes.

17 Q And to your knowledge, he doesn't routinely get
18 involved in the preparation of the RTC CEO to answer
19 generic questions with respect to the operation of the RTC?

20 A I don't know that he was getting involved in his
21 preparation. He was concerned about the subject matter of
22 the hearing.

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1 Q Was his concern about the subject matter of the
2 hearing similar to the matters which are identified in
3 document X75 which was a to-do list which was prepared at
4 about that same time? Let me rephrase that. I don't want
5 to pin it down just to this to-do list.

6 I think you have testified already that you and
7 others at the White House including Mr. Nussbaum
8 anticipated some extensive questioning by the minority
9 Senators at the upcoming hearings?

10 A Right.

11 Q While it was your view that it would be
12 unjustified and a distraction from the more important
13 issues, this was the reason for the particular concern
14 within the White House at this time?

15 MR. KRIEGL: I think there is a characterization
16 of testimony there that may have no predicate.

17 BY MR. BRAUNREUTHER:

18 Q I just want to be clear that you have explained
19 for us that the context of this meeting was in anticipation
20 of some questions at the Banking Committee which related
21 specifically to the handling of the Whitewater/Madison
22 case; is that right?

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1 A I think this meeting was just "what's going to
2 happen." This was a meeting on Tuesday, if I place it
3 correctly -- I'm not sure about that -- that was a briefing
4 on what is likely to happen on Thursday.

5 Q You were already aware, were you not, that one --
6 by this time -- let me make sure I'm clear.

7 By this time, February 22, you personally had had
8 multiple conversations with Mr. Levy regarding the upcoming
9 hearings; correct?

10 A As I have testified, I had one meeting and
11 several phone conversations.

12 Q And throughout those discussions, you were
13 attempting to pinpoint potential issues which were going to
14 arise in the February 24 hearing?

15 A Correct.

16 Q You also had a number of discussions with
17 Mr. Josh Steiner in the same vein in anticipation of the
18 upcoming February 24 hearings?

19 A Not prior to the meeting we are talking about. I
20 think I have had one, maybe two. Probably just one.

21 Q And Mr. Todd Stern of your staff was working,
22 spending substantial amount of his time getting ready for

1 these hearings as well; is that right?

2 A He was spending some time on it. We have -- our
3 principal duties were not with regard to this hearing.

4 Neither he nor I were spending the majority of our time on
5 this.

6 Q A substantial amount of time on this?

7 A I would accept that, but not a majority of our
8 time.

9 Q Continuing the same line of thought, we know that
10 Mr. Stern had prepared a to-do list as of February 22 which
11 identifies certain items on X75.

12 A Right.

13 Q Which were the subject of your ongoing
14 discussions.

15 A Right. Most of the to do's on the list, though,
16 were Mr. Levy's to do's.

17 Q Most of the to do's on the list relate
18 specifically to specific Madison/Whitewater issues, not
19 generic RTC issues; correct?

20 MR. KRIEDEL: Let the record reflect that the
21 document is not in front of the witness during this line of
22 questioning.

1 THE WITNESS: It depends on how you count.

2 BY MR. BRAUNREUTHER:

3 Q Well --

4 A If you count by bullets, there are five on
5 nonMadison and two on Madison. If you count on stars,
6 there are eight on Madison and still five on nonMadison.

7 Q There are eight stars on Mr. Stern's to-do list
8 relating to Madison matters?

9 A Correct, all under Mr. Levy's.

10 Q Can you tell me whether Mr. Nussbaum and the
11 other members, the other group were meeting at this point
12 on February 22 because they were concerned about the
13 nonMadison matters that might arise in the February 24
14 hearing or because of the Madison-related matters which
15 were likely to arise at the February 24 hearing which was
16 upcoming?

17 A I think I have already testified that I think
18 this was just a briefing about what was likely to happen on
19 Thursday. That's how it started.

20 Q You have no view as to whether Mr. Nussbaum's
21 presence and the -- whether Mr. Nussbaum's presence at the
22 meeting pertained to the fact that Madison/Whitewater

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1 matters were likely to arise at the February 24 hearings or
2 whether just generic RTC issues were likely to arise?

3 A I can't accept your "generic RTC"
4 characterization.

5 Q Let's say nonMadison/Whitewater/RTC matters.

6 A As I previously testified, I think we were of the
7 view that from our perspective we wanted a broad hearing
8 covering numerous matters including the handling of the RTC
9 by the previous administration. So I think it depends on
10 what you mean. You might have a line between what is
11 Madison and what is nonMadison that is different than
12 mine.

13 Q I'm not talking about what will happen at the
14 meetings and I'm not talking about what successful
15 counterpunching might be brought about at the February 24
16 hearings. I'm talking about the concern which brought you
17 and others together on February 22.

18 A I think that I previously testified that
19 Mr. Nussbaum was concerned about the Madison issues, but I
20 think he would have also been concerned about the fact
21 whether or not there was going to be any counterpunching;
22 is that a Madison issue or nonMadison.

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1 Q Maybe you can share with me -- I don't understand
2 the internal workings -- is it your testimony here that
3 Mr. Nussbaum --

4 A He was concerned about the hearing.

5 Q Let me put my question. That Mr. Nussbaum and
6 others would have been equally concerned about the meeting
7 had there been no anticipation of Madison/Whitewater
8 matters arising at the hearing?

9 A It would not have been Madison/Whitewater.

10 Q Maybe we can take it a step further. Would you
11 expect Mr. Nussbaum or the others at the meeting to convene
12 in the way they did if this expected hearing on the RTC did
13 not involve Madison/Whitewater issues?

14 A No.

15 Q No, you would not expect them to convene this
16 kind of a meeting?

17 A No, I would not have expected them to be
18 interested in the meeting.

19 (Recess.)

20 BY MR. BRAUNREUTHER:

21 Q Before we broke, we were talking about the
22 February 22 meeting, and continuing with that line of

1 questioning, I believe you testified also that at least as
2 of this time the participants at the meeting were aware
3 that Ricky Tigert had been pressed very hard on her
4 recusal?

5 A I think all the participants in the meeting would
6 be aware of that. I don't know that that was a topic that
7 was in the meeting. I didn't testify to that, did I?

8 Q I don't mean to say that was discussed in the
9 meeting. I mean to say in terms of everyone's mindset at
10 the meeting, they were well aware that Ricky Tigert faced
11 strenuous questioning with respect to the recusal issue.

12 A I think everyone -- again, let me come back to.
13 I can't recall specifically who was in the meeting. I
14 accepted that -- I remember Nussbaum being in the meeting.
15 Lindsey, I think, was in the meeting. I think Eggleston
16 was in the meeting. I don't think Maggie was in the
17 meeting.

18 Q When you say "Maggie," who do you mean?

19 A Maggie Williams. I am trying to recount my
20 previous testimony. I think I was asked that. I don't
21 recall her being at the meeting.

22 Q To your recollection, was Maggie Williams

1 involved in or consulted in any way whatsoever in
2 preparation for the February 24 hearings?

3 A I don't think she was involved. I don't think
4 she was consulted really. She may have asked me what was
5 going on and I probably would have told her. Again, I
6 don't have a specific recollection of that. I may have
7 even given a generic briefing that would have lasted a
8 couple of minutes in a senior staff meeting that she may
9 have been in attendance.

10 Q Do you recall, as a general matter, that
11 Ms. Williams took a general interest in Mr. Altman's
12 involvement in this matter? And in particular his status
13 as CEO of the RTC.

14 A No, not that I recall.

15 Q Is it also fair to say that at this time it was
16 anticipated that Roger Altman would be pressed on the issue
17 of recusal at the hearings?

18 A Yes.

19 Q Do you recall that the focus of the meetings was
20 Mr. Altman answering questions with respect to the Madison
21 Guaranty matter as opposed to answering other questions
22 which might come up with respect to the RTC?

1 A The focus of what meeting?

2 Q The February 22 preparation meeting.

3 A No. The focus of the February 22 meeting was to
4 talk about what was going to happen at that hearing. That
5 would include, as we have previously discussed,
6 counterpunching et cetera, laying out what was going to
7 happen.

8 Q Can you explain what you mean by
9 "counterpunching."

10 A Raising the track record of a previous
11 administration on handling RTC matters, that kind of
12 stuff.

13 Q Was the anticipated counterpunching going to be
14 in response to anticipated questions regarding the handling
15 of the Madison Guaranty matter?

16 A I think it was -- it wasn't a particular
17 response. I think it was just to keep the record fair,
18 impartial, balanced.

19 Q Were you concerned that the unfair or impartial
20 record would relate to nonMadison/Whitewater matters?

21 A We were concerned that it would be an occasion
22 for, at least on the minority side, to focus primarily on

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1 Madison.

2 Q So be blunt, you felt that there was going to be
3 an unjustified attempt by minority members of the Senate to
4 turn this into an extensive dialogue about the
5 Madison/Whitewater matter, correct?

6 THE WITNESS: Please read that back.

7 (The reporter read the record as requested.)

8 THE WITNESS: Yes.

9 BY MR. BRAUNREUTHER:

10 Q And it was in response to that concern that the
11 issue of counterpunching, in the view of the participants
12 at the meeting, would be necessary to place it the meeting
13 on another ground?

14 A To place the hearing on different ground?

15 Q Yes.

16 A Yes.

17 Q To move away from the Madison/Whitewater issues
18 and to --

19 A To keep a better balance and a broader
20 perspective to the hearing.

21 Q But aside from the characterizations of what you
22 perceived you were doing, the specifics in terms of subject

1 matter is to move off of Madison/Whitewater and move on to
2 other issues, which I will give you, you perceived to be
3 the proper focus of the hearings; correct?

4 A I'm lost again. I think that we wanted the
5 hearing to focus on those broader concerns and that that
6 would be beneficial to us as an administration.

7 Q Let me return to Mr. Nussbaum's comments about
8 Ms. Ellen Kulka. With the benefit of our intervening
9 questions and answers, do you recall whether Mr. Nussbaum
10 was concerned about Ms. Kulka's impartiality and fairness
11 as to all RTC matters or as they may pertain to what he
12 perceived the proper and fair handling of the
13 Madison/Whitewater case?

14 A I think that he was concerned generically, and I
15 think that with regard to all RTC matters, and I think he
16 may have had specific concerns about Madison/Whitewater.

17 Q And in particular, Ms. Kulka's handling of
18 Madison if it were left to her to make decisions in the
19 case?

20 MS. SABRIN: Are we asking about his perceptions
21 of Nussbaum or what Nussbaum said?

22 MR. BRAUNREUTHER: His understanding from the

1 context of the discussion, what the remarks about
2 Ms. Kulka's impartiality and fairness pertained to.

3 THE WITNESS: I think I have answered that. It
4 pertained generically across the RTC, but I think he may
5 have been specifically concerned about handling the matters
6 related to Madison as well.

7 BY MR. BRAUNREUTHER:

8 Q Did you understand that Ms. Kulka's
9 decisionmaking --

10 A I think we are -- go ahead.

11 Q Did you understand if Mr. Altman had recused
12 himself or if he were to step down on March 30 that it
13 would be Ellen Kulka who would then make decisions in the
14 Madison case?

15 A I think I have previously testified to that.

16 Q That that would be the case?

17 A No. I said I think I previously testified that
18 it could be her, it could be Ryan.

19 Q It could be either her or Ryan. That would be
20 your understanding. Okay.

21 Incidentally --

22 A Whether specifically then, now -- I will let that

1 stand.

2 Q I want to clarify one point. You testified about
3 a contact you had with Mr. Levy or contacts you had with
4 Mr. Levy commencing on February 15. Do you recall that
5 testimony?

6 A Yes. I said I may have had a conversation with
7 him on the 14th, as I recall. The meeting occurred on the
8 15th. That was the first real substantive conversation I
9 recall.

10 Q Who was it that initiated the initial contact
11 between you and Mr. Levy?

12 A I have testified to that already, but it was me.

13 Q Did you do that at the instruction of anyone else
14 or is that something that just suggested itself to you
15 spontaneously?

16 A The latter.

17 Q Did you notify anyone in advance that you would
18 be working or contacting Mr. Levy to get a better handle on
19 the issues which were likely to arise at the February 24?

20 A I might have said something to Mr. Griffin. At
21 some point on the 13th, 14th, this time period, the 14th I
22 think is a Monday, so it was probably then but it could

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1 have been over the weekend, I don't know. Mr. McLarty, I
2 think, gave me this assignment. Mr. Griffin and I talked.
3 It would have been natural for me to say I talked to Mike
4 Levy.

5 Q What assignment was it that Mr. McLarty gave you?

6 A To worry about these hearings, keep an eye on
7 them.

8 Q Mr. McLarty at the time was chief of staff of the
9 president; is that correct?

10 A That's correct.

11 Q I don't want to go through the whole line of
12 questioning that I did with respect to Nussbaum, but is it
13 fair to say that the aspect of the RTC hearings that
14 Mr. McLarty, the chief of staff, would be concerned about
15 at that time were the Madison/Whitewater related issues
16 which were likely to arise at the hearing?

17 A I think that -- let me do this again. We were
18 concerned that the hearing be balanced. For example, to
19 give you some perspective on this, Senator D'Amato had
20 offered an amendment extending the statute of limitations
21 only to Madison. We didn't think that was balanced. We
22 didn't think that was fair. We didn't think that was sort

1 of something one should do in the particular case. We saw
2 this hearing as an opportunity for that kind of imbalance.
3 We wanted to make sure that it was balanced.

4 Now, ultimately that resulted in an amendment
5 which the president signed, an amendment to a bill which
6 passed and the president signed which extended the statute
7 of limitations for all matters involving the 550, or
8 whatever there are, S&Ls that the RTC deals with. I think
9 we were looking for fair treatment and balance. That's
10 what Mr. McLarty was concerned about, that it not be
11 narrowly focused and unfair.

12 Q Was it shortly before your initial contact to
13 Mr. Levy that Mr. McLarty gave you this assignment?

14 A Yes.

15 Q That would have been approximately shortly before
16 February 14 or 15?

17 A Yes.

18 Q Do you realize that the statute of limitations
19 had been extended as of approximately February 12?

20 A I realize it was specifically on February 12.

21 Q You just gave me a recollection of
22 Mr. McLarty's --

1 A I gave you an example.

2 Q It is, in fact, an example which doesn't apply in
3 this particular case because the statute of limitations had
4 already been --

5 A It is an example of the mood and what could
6 happen and the political climate that we were operating
7 in. That debate had occurred two weeks previous. If you
8 want to check the record, I believe Senator D'Amato was on
9 the floor with a big calendar about when the statute of
10 limitations was going to run out, and he proposed an
11 amendment that applied to Madison. That was within the
12 same contemporaneous time frame.

13 Q As of February 15, it was not that particular
14 issue --

15 A It was the approach to the issue that we were
16 concerned about.

17 Q Let me finish my question.

18 A Sure.

19 Q Just so we agree, it was not that particular
20 issue, which was your or Mr. McLarty's concern with respect
21 to the upcoming February 24 hearings?

22 A What particular issue?

1 Q The issue which you described regarding an
2 extension of the statute of limitations for all S&Ls, not
3 just Madison.

4 A I previously testified the president had already
5 signed that bill extending the statute of limitations.

6 Q Then you should be able to answer my question.
7 Is my statement correct that as of February 15,
8 that particular issue, the extension of the statute of
9 limitations for all S&Ls -- could I please complete the
10 question -- was not the particular concern that was --

11 A No, I didn't raise it in that context.

12 Q We are in agreement on that, that at least as of
13 February 15 it was not the issue of statute of limitations
14 which was motivating you or Mr. McLarty to anticipate the
15 February 24 hearings; correct?

16 A It was not the issue of the statute of
17 limitations. It was the issue of the fairness and the
18 treatment by the RTC.

19 Q On that point, your concern was, and
20 Mr. McLarty's concern was, in giving you the assignment as
21 you understood it, was that the Madison/Whitewater issues
22 were likely to come up at the hearing and in your view

1 would be treated unfairly; is that right?

2 A That's fair.

3 Q So, going back to my earlier question, was
4 Mr. McLarty's involvement in this preparation for the
5 February 24 hearings and his assignment to you related to
6 his concerns about Madison/Whitewater specifically as
7 opposed to general RTC issues?

8 MR. KRIEGEL: If you know what his concerns
9 were. I think there was testimony earlier that what this
10 was about was spreading responsibility around because the
11 congressional person was new and had a lot of other
12 responsibilities.

13 BY MR. BRAUNREUTHER:

14 Q Can you answer my question?

15 A I think I have. I will try it again. I think
16 Mr. McLarty's concern was that Madison not be unfairly
17 isolated and treated in a way that was unfair to the
18 administration, that the matter be broadly presented in a
19 fair context.

20 Q If you can bear with me, was it your
21 understanding that his concern was that the
22 Madison/Whitewater matters could evolve at the hearing into

1 discussions which -- withdrawn.

2 I take it it is fair to say that Mr. McLarty, a
3 man of his significance in the administration, would not
4 routinely be involved in standard RTC issues; is that
5 correct?

6 MR. KRIEGEL: I really don't think this is
7 pertinent. The whole point of this is contacts between the
8 White House and Treasury and RTC. We are spending an
9 enormous amount of time talking about things that --

10 MR. BRAUNREUTHER: I have to agree there is a lot
11 of quibbling over words. I thought I started off with a
12 simple proposition which was simply that the chief of staff
13 for the president was concerned in this particular case
14 because the hearings were likely to address the
15 Madison/Whitewater matter without going into whether those
16 motives were justified, well-conceived or anything else,
17 just whether or not it was the Madison/Whitewater issue
18 which brought him to give you an assignment to get on top
19 of expected developments at the February 24 hearings.

20 I will withdraw the question and move on.

21 BY MR. BRAUNREUTHER:

22 Q Now, you testified that someone, and I believe

1 you mentioned Jean Hanson, was preparing questions and
2 answers for Mr. Altman and Secretary Bentsen that were
3 circulated within the White House; is that correct? Or
4 were received within the White House?

5 A That's correct. You are putting two things
6 together that I don't have real knowledge of. Mr. Levy
7 told me Jean Hanson was preparing Qs and As for the
8 Treasury witnesses, which I assume was both Mr. Bentsen and
9 Mr. Altman, and we received a copy of those. Whether she
10 did prepare those and those were the questions and answers
11 we received, I don't know.

12 Q Following up on the assignment that had been
13 initiated by Mr. McLarty, you did undertake to inquire
14 about what was likely to occur at the February 24 hearings;
15 correct?

16 A I did.

17 Q Now, at the conclusion of that process, you
18 testified that you were concerned about a particular
19 question regarding recusal and Mr. Altman's ability to
20 anticipate and properly answer the question; is that
21 right?

22 A I raised that. I think I testified that that

1 came up in the earliest of my conversations. It wasn't at
2 the end of the process.

3 Q Did you take any interest -- I shouldn't say
4 interest -- you took particular steps with respect to the
5 anticipated issue of recusal?

6 A Mr. Levy and I talked about it I think right from
7 the start and just that he needed to be ready to answer
8 it. I took no particular steps to influence what his
9 answer would be.

10 Q Not "influence what his answer would be" but to
11 make sure that Mr. Altman was prepared for this question or
12 give a proper answer, right?

13 A Right.

14 Q Was that the only question that you took -- as to
15 which you took these steps?

16 A No. I think I previously said that when I found
17 out about the meeting on February 2 that I mentioned is --
18 I think I mentioned to Steiner, at least I'm aware that I
19 was concerned about it, that this got done, and I think it
20 got done by my talking to him. It is conceivable Stern
21 talked to him or something but I don't think so. I talked
22 to him, that he be prepared to answer that question as

1 well.

2 Q "That question" was what?

3 A Had you had any meetings at the White House on
4 this matter or had you talked to anybody at the White House
5 on this matter.

6 Q So those two questions which you have described
7 were the only questions that resulted in you taking this
8 particular -- making this particular effort to make sure
9 Mr. Altman was prepared to answer?

10 A No. I think that -- as you can see from
11 Mr. Stern's to-do list, we had thought about other
12 questions that Mr. Levy needed to make sure Mr. Altman was
13 prepared to answer.

14 Q Is it fair to say that these two particular
15 questions are distinguishable in that they are the only two
16 that you took direct steps to alert Mr. Altman to?

17 A No, I don't think so.

18 Q What other questions would you put in the same
19 category?

20 A Probably that whole list that is there.

21 Q By "that list" you are referring to X75?

22 A I am referring to X75.

1 Q Let me ask you, as to these questions, did you
2 call either Mr. Steiner, as you did with respect to -- did
3 you call Mr. Steiner and ask him specifically to make sure
4 Mr. Altman was prepared to answer these questions which
5 appear on X75 in the seven bullets you identified?

6 A No, I don't recall doing that, no.

7 Q As to these --

8 A I think those are probably conversations with
9 Mr. Levy.

10 Q So, is it your testimony --

11 A In the couple phone calls I had.

12 Q Is it your testimony you had no particular
13 concern as to these questions that in any way distinguished
14 them from the other subject matters which appear on X75?
15 Is that your testimony?

16 A Well, I had the particular concern about the
17 meeting only in the sense that I learned about it close to
18 the time of the testimony and I wanted to make sure that
19 was taken care of. But I would put recusal in with the
20 rest of the bunch of those questions.

21 Q Even though you had a specific discussion about
22 recusal and wrote a specific question and answer about

1 recusal -- let me ask you.

2 Did you in fact review with Mr. Altman prior to
3 his testimony a proposed question and answer regarding
4 recusal?

5 A I didn't talk to Mr. Altman prior to his
6 testimony. I didn't review it with Mr. Levy or with
7 Mr. Steiner.

8 Q Did you receive it?

9 A It was received -- we have gone over this. It
10 was received by Mr. Stern. I never reviewed it. I don't
11 know whether he did or not. I don't think he did. We
12 received a briefing book. I think the only thing I'm aware
13 he looked at was the testimony.

14 MS. SABRIN: I believe he testified he reviewed
15 it after the hearing.

16 THE WITNESS: I reviewed the question and answer
17 on the meeting after the testimony.

18 BY MR. BRAUNREUTHER:

19 Q Out of concern for the accuracy of his answer?

20 A Correct. And that mentions recusal.

21 Q Do you know whether, aside from Todd Stern,
22 anybody else at the White House reviewed any questions and

1 answers, any proposed questions and answers which had been
2 drafted for Mr. Altman prior to his testimony?

3 A I previously testified to that as well.

4 Q What was your answer? If you don't mind
5 repeating it.

6 A My answer was I believe -- I don't know whether I
7 knew this then or later, but I believe Mr. Eggleston told
8 me that he had, I think, heard by having it read to him --
9 but I'm vague on this -- the answer about the meeting.

10 MS. SABRIN: I don't believe his previous
11 testimony was that Todd Stern reviewed the Q and As.

12 BY MR. BRAUNREUTHER:

13 Q He had received them?

14 A Received them.

15 Q Is it your understanding he received them and did
16 not review them?

17 A We are all still talking prior to the testimony
18 here?

19 Q Correct.

20 A It is not my testimony that he did not review
21 them. The only thing that I know he reviewed was the
22 testimony, not the Qs and As. I don't know -- we never had

1 a conversation about it.

2 Q Is it fair to say you took some interest, as you
3 have related it to us here today, in the upcoming testimony
4 of Mr. Altman, to the extent you described it already?

5 A The testimony?

6 Q Yes.

7 A Yes.

8 Q Did you take any similar interest regarding any
9 other witnesses who were anticipated to be called at the
10 hearings?

11 A Mr. Stern also received and reviewed Secretary
12 Bentsen's testimony.

13 Q I believe you said that it was the collective
14 view of the group that Mr. Bentsen should be encouraged to
15 take an aggressive approach at the hearing; do you recall
16 that?

17 MR. KRIEDEL: Is there some reason to go through
18 everything that he previously said. All we are doing, it
19 seems to me, is going through a lot of questions that have
20 already been asked and already been answered. I think
21 maybe Mr. Kravitz would even agree with me on this one that
22 they have not only been asked but also been answered.

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1 MR. BRAUNREUTHER: I have some follow-up
2 questions. It is important to direct the witness's
3 attention to certain points. In this particular case I
4 want to ask him, I am attempting to direct him to his
5 earlier testimony that Mr. Bentsen was going to be
6 encouraged to take, and I believe it is a quote, "an
7 aggressive approach."

8 I want to understand what it means to take an
9 aggressive approach.

10 MR. KRIEDEL: Which was also asked and answered.

11 BY MR. BRAUNREUTHER:

12 Q Let me ask the witness. It would be a lot faster
13 to ask the question. What do you mean by an aggressive
14 approach?

15 A I thought that he should -- it was my view that
16 we were better off if he did a lot of the testifying.

17 Q Better off than if Mr. Altman did a lot of the
18 testifying?

19 A No. Better off -- he is the person at the table
20 of great stature and that he was likely to be talking about
21 matters that as chairman of the oversight board that were
22 broader and give a context, et cetera, to the matter. He

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1 was our star witness there.

2 Q Was there any discussion that Secretary Bentsen
3 would not face the same difficulty in answering questions
4 about contacts with Treasury or describing the February 2
5 meeting that Mr. Altman would face if he were questioned in
6 this area?

7 MR. KRIEDEL: This question contains an implicit
8 assumption that Mr. Bentsen was going to be testifying in
9 lieu of Mr. Altman, and that assumption is totally
10 unfounded.

11 MR. BRAUNREUTHER: I would like to explore what
12 the witness --

13 MR. KRIEDEL: I'm objecting to the form of the
14 question because it contains an assumption for which there
15 is no basis.

16 MR. BRAUNREUTHER: The basis for my question, as
17 I see it, is that the witness has testified that the
18 testimony could be directed in one way or another depending
19 upon how Secretary -- how aggressive Secretary Bentsen
20 was.

21 MR. KRIEDEL: That is not the testimony. The
22 record will speak for itself on the testimony which we have

1 gone through at least twice, if not more often.

2 MR. BRAUNREUTHER: Here is my question. I would
3 like to know whether in preparation for the testimony there
4 was discussion that it would be preferable that Mr. Altman
5 avoid, to the extent that he could, answering questions
6 about the February 2 meeting.

7 If the answer to that question is no, then that's
8 fine.

9 MR. KRIEGEL: That's a fresh question. You can
10 answer that question and the witness will answer it.

11 THE WITNESS: No.

12 BY MR. BRAUNREUTHER:

13 Q When there was talk about Secretary Bentsen
14 taking an aggressive approach, it was independent of any
15 attempt to protect Mr. Altman from questioning in this
16 area; is that right?

17 A Yes. As I testified, we saw him as having the
18 ability to give a broader sense of what we were talking
19 about.

20 Q Can you explain to me in your own words why it is
21 that the White House would be involved at all in preparing
22 Mr. Altman for his testimony?

1 MR. KRIEGEL: Again, I object to the form of the
2 question. That has not been the testimony.

3 MR. BRAUNREUTHER: I would submit, Counsel, that
4 reviewing -- convening a meeting on February 22 which was
5 convened in this case to anticipate questions and issues to
6 arise at the February 24 hearing and to then have
7 subsequent discussions with Mr. Altman, including
8 discussions that he be prepared to answer certain questions
9 lays a proper foundation for my question.

10 MR. KRIEGEL: If there was any testimony to that
11 effect, there might be a foundation for the question.
12 There is no testimony to the effect that anyone in the
13 White House was going to talk to Mr. Altman or prepare him
14 for his testimony.

15 MR. KRAVITZ: I actually disagree with that.
16 Maybe directly, but there is certainly evidence at least
17 that somebody read an answer over the phone to
18 Mr. Eggleston.

19 MR. KRIEGEL: After the testimony.

20 MR. KRAVITZ: I don't think that's what the
21 testimony was. I think the testimony was in advance of the
22 February 24 hearing, Ms. Hanson read a question and answer

1 over the telephone to Mr. Eggleston. But -- and the
2 witness is nodding his head in approval.

3 MR. KRIEDEL: Then I stand corrected.

4 BY MR. BRAUNREUTHER:

5 Q Do you recall that to be a fact, that prior to
6 the hearing, Ms. Hanson read a proposed question and answer
7 to Mr. Eggleston which would be given to Mr. Altman at the
8 hearing?

9 A Third time, I believe Mr. Eggleston has told me,
10 and I place it after the hearing, that that occurred.
11 Wait. I believe that -- let's get the timing.

12 I believe that after the hearing Mr. Eggleston
13 told me that before the hearing Ms. Hanson read him, which
14 is the source of the confusion here, the answer to that
15 question.

16 Q It is getting late and I want you to tell us in
17 your own words what discussions you may have had with
18 Mr. Stern regarding the items identified in X75.

19 A We were both working on this matter and I think
20 we concentrated down at the bottom here. We talked about
21 preparation.

22 Q Do you believe you talked about the matters on

1 the top of the list as well?

2 A Yes.

3 Q You do supervise Mr. Stern; correct?

4 A I do.

5 Q Whatever work he did presumably would be on some
6 level reviewed with you?

7 A Right.

8 Q You would have been familiar with the items
9 identified on X 75?

10 A Correct.

11 Q Did you have any discussions with Mr. McLarty
12 prior to February 24 other than his initial request to you
13 to get involved in this matter?

14 MR. KRIEDEL: Discussions on what subject?

15 BY MR. BRAUNREUTHER:

16 Q On the upcoming testimony and hearing which was
17 going to occur on February 24.

18 A As I previously testified, I probably gave at
19 least a quick briefing on what was going to happen in the
20 contact with a staff meeting. I don't recall that
21 specifically. I think it would have been a natural thing
22 to do. I have no specific recollection of a conversation

1 of him following up on it or whatever. But he may have
2 said how is it going and I might have given a quick
3 response to it. We didn't have any meetings on it that I
4 recall.

5 Q At most it would have been a short remark at a
6 staff meeting, no separate meetings with Mr. McLarty;
7 correct?

8 A Prior to February 24, I don't remember any
9 meetings with him.

10 Q Did you have any meetings with Mr. McLarty about
11 this issue after February 24 or on February 24?

12 A Not on February 24. Can we go back to what is
13 "this issue"?

14 Q "This issue" being the issue prior to February
15 24, it was the issues which were likely to be raised at the
16 hearings and I think after February 24 it was the issues
17 which were raised and the accuracy of Mr. Altman in
18 responding to questions proposed at the February 24
19 hearing.

20 A I certainly recall no substantive meeting with
21 Mr. McLarty on those matters. At some point we discussed
22 my taking a greater role in dealing with the press, and

1 this would have been one issue. So it might have come up
2 in that context, but that's it. I don't think we ever had
3 a substantive conversation about this that I remember.

4 Q Did you have any meeting with Mr. McLarty wherein
5 he asked you to take a greater role in handling the press
6 issues likely to arise out of the Madison/Whitewater
7 issues?

8 MR. KRIEDEL: This doesn't have anything to do
9 with Whitewater -- with White House-Treasury contacts and
10 I'm going to instruct him not to answer. We are sort of
11 drifting off here again.

12 MR. BRAUNREUTHER: Are you going to instruct him
13 not to answer? I would suggest that we would like to avoid
14 recalling the witness. I know that this relates to the
15 matters which we are talking about. If Mr. McLarty was
16 directly involved with this witness, in directing his
17 activities with respect to Madison/Whitewater and the
18 handling of press inquiries which arose out of the matters
19 we have been discussing, it would be relevant.

20 MR. KRIEDEL: If you want to inquire into press
21 related issues relating to the aftermath of Altman's
22 hearing testimony, that's fine. But I don't want to get

1 into global fielding of press inquiries, globally, that may
2 have anything at all to do with Whitewater, totally
3 unrelated to contacts between the White House and
4 Treasury/RTC.

5 BY MR. BRAUNREUTHER:

6 Q With that objection your counsel has made, can
7 you answer the question?

8 A Yes.

9 Q Yes, you did?

10 A Yes, I did.

11 Q Can you describe those discussions with
12 Mr. McLarty.

13 A Mr. McLarty asked me to take over handling more
14 of the press inquiries on this matter, including the
15 aftermath of the hearing, including the matters that arose
16 in the context of the aftermath of the hearing.

17 Q When did this discussion with Mr. McLarty take
18 place?

19 A I would probably place it around the 11th of
20 March, probably, maybe shortly thereafter.

21 Q And is that the first conversation you had with
22 Mr. McLarty about Mr. Altman's testimony after he gave his

1 testimony on February 24?

2 A I didn't say that it was about his testimony. I
3 think it was really about the aftermath of the hearing, the
4 subject of which was his testimony.

5 Q By "the aftermath of the hearing," I thought you
6 meant the subject matter --

7 A If you recall or reviewed the clips, there was
8 quite a bit of press interest at that time in these
9 matters, including matters about the contacts, and that
10 didn't abate for some time.

11 Q So, my question is whether or not you had any
12 discussions with Mr. McLarty between February 24 and the
13 meeting you described which you estimate was after March 11
14 about these matters?

15 A I could have, but I don't have a specific
16 recollection of the particular conversation.

17 Q You don't recall receiving a particular request
18 to involve yourself in, as you phrase it, the aftermath of
19 the hearings?

20 A Correct.

21 Q And do you recall whether or not Mr. McLarty or
22 anyone else expressed to you that the president or the

1 First Lady had taken any interest in this issue or was
2 involved in reviewing the aftermath of the hearings, as you
3 described them?

4 A No, I don't recall. I don't recall that being
5 the basis for that discussion or I don't recall a
6 conversation like that.

7 Q To your knowledge, was the president or the First
8 Lady involved or even notified about the accuracy of -- let
9 me rephrase it.

10 What I would like to know is whether you have
11 information regarding the president or the First Lady's
12 involvement after Mr. Altman's testimony regarding the
13 issues raised with respect to the accuracy of his
14 testimony.

15 A No, I don't. I am unaware of any involvement.

16 Q Do you recall whether Maggie Williams was
17 involved in any discussions in the aftermath of
18 Mr. Altman's testimony on February 24 regarding the
19 accuracy of his testimony?

20 MS. SABRIN: He has answered that question.

21 BY MR. BRAUNREUTHER:

22 Q Your answer, I take it, is no?

1 A I don't recall her being involved in
2 conversations.

3 Q The same question with respect to Mr. Ickes.

4 A I don't recall any specific conversations with
5 Mr. Ickes about this as well. Mr. Ickes was concerned
6 about the matter, so we may have had a conversation,
7 concerned about the general matter of how this was playing
8 out. It is conceivable we could have had a conversation
9 about it. I don't know.

10 Q You don't recall any specific discussions?

11 A I don't recall he being at any meeting on the
12 topic, no.

13 Q Do you know whether anyone attempted to reach
14 Mr. Nussbaum in Mexico after Mr. Altman's testimony on
15 February 24?

16 A I don't recall that.

17 Q You don't recall?

18 A I don't recall it.

19 Q Did you discuss with Mr. Eggleston --

20 A I am tempted to say I am unaware of it. If I was
21 ever aware of it, I don't recall it.

22 Q I'm questioning whether you have any knowledge

1 that anyone thought that this matter was of such
2 significance that efforts should be made to contact
3 Mr. Nussbaum on the weekend of February 26 and 27.

4 A No. I think I previously testified that we were
5 going to wait for him to come back and I think we were
6 waiting for the transcript. I can't be certain about when
7 we received the transcript.

8 Q You testified earlier about the fact that
9 Mr. Eggleston frequently would put your name on memos
10 during the period following the hearings.

11 A It happened a few times.

12 Q Does that reflect that you and he were working
13 together to address the issues following the hearings?

14 A I think it is more the style of the counsel's
15 office.

16 Q What would that be?

17 A That most memos, for example, I would think that
18 most memos on any topic that were being generated by the
19 counsel's office would be from Bernie and Cliff or Bernie
20 and Neil or whatever. This was kind of I think their
21 convention.

22 Q But this was you and Neil?

1 A We were working on the hearings together. I am
2 senior to him in that sense. I am an assistant to the
3 president. Neil is --

4 Q Is it fair to draw an inference or accurate to
5 say that you and Mr. Eggleston were assigned as the point
6 people to handle the aftermath of the hearings?

7 A No. I think Mr. -- I don't think that is fair.
8 I think that I previously testified Mr. Eggleston and I
9 were working on the hearing, and I think that just carried
10 over to what happened after the hearing. We weren't
11 assigned to work on the aftermath of the hearing. I was
12 assigned and he was working on it and then I think we
13 worked together on the hearing itself. I think, just as I
14 say, carried over the period.

15 Q Were you and Mr. Eggleston given an assignment to
16 work on the hearings before the hearings and then did that
17 assignment continue after the hearings?

18 A I was assigned -- I think I have previously
19 testified to the context in which I was assigned.

20 Q Mr. McLarty asked you to work on it?

21 A Correct.

22 Q How is it you teamed up with Mr. Eggleston to

1 work on this together?

2 A I think he was the -- I don't truly recall. We
3 worked on some other things. I don't know who made an
4 assignment. I didn't have the authority to make an
5 assignment of Mr. Eggleston. I think it was just being
6 done.

7 Q But there was such an assignment given to
8 Mr. Eggleston?

9 A I don't know. He was working on it.

10 Q We already heard there were other people who
11 participated in the meeting on February 22 and you talked
12 to other people about this.

13 A I testified Mr. Eggleston was working on it.

14 Q I would like to know whether he had any role
15 distinguishable from just people working on it, was he in
16 fact assigned to a team with you to prepare for the
17 upcoming February 24 hearings?

18 A I wouldn't make that characterization. He was
19 working on the hearing with me. I was the senior person
20 working on the hearing as between him and me.

21 Q Was there anybody else who received a similar
22 assignment other than you and Mr. Eggleston to work on

1 preparing for the hearings?

2 A I asked Mr. Stern to help me and he did.

3 Q You mentioned in the course of your testimony
4 regarding three specific concerns which arose following
5 Mr. Altman's testimony, that as to one of the concerns,
6 Mr. Altman -- when you spoke with Mr. Altman, he indicated
7 that this particular issue had already been brought to his
8 attention. Do you recall that?

9 A Yes.

10 Q Can you recall what that particular question was
11 about the accuracy of his testimony which had been brought
12 to his attention by another?

13 A I believe he said that someone had raised the
14 fact that he had mentioned recusal in the context of that
15 meeting.

16 Q That he had failed to mention in his testimony?

17 A In his testimony.

18 Q That the February 2 meeting pertained to
19 recusal?

20 A That recusal was raised in the February 2
21 meeting.

22 Q Do you know who the other person was that had

1 notified Mr. Altman that they also saw a problem, a
2 potential problem with his testimony regarding recusal?

3 A No.

4 Q You testified about the discussions that you had
5 with others, including Mr. Eggleston, as to whether or not
6 Mr. Altman's testimony referring to procedural matters
7 fairly encompassed the subject of recusal. Do you recall
8 that?

9 A Uh-huh.

10 Q I believe that there was some debate back and
11 forth about the semantics of it and at least someone
12 expressed the view that it could theoretically be embodied
13 in the term "procedure."

14 A I would strike "theoretically."

15 Q Let me ask you just to give me the benefit of the
16 discussions that took place at the time, regardless of
17 whether someone could make a semantic argument that recusal
18 is subsumed in procedural issues, did anybody in your group
19 who was reviewing this testimony offer an opinion in
20 substance that it was just a little too cute or too shrewd
21 to rely on that semantic argument?

22 MR. KRIEGL: I will object to the form of the

1 question. I don't think the witness characterized this as
2 a semantic argument. That is your characterization.

3 BY MR. BRAUNREUTHER:

4 Q Eliminating my characterization that it is a
5 semantic discussion, did anybody during your discussions
6 over this issue express the view that, in substance, that
7 it is just a little too shrewd or too cute to rely upon
8 that type of a reference, given the importance of this
9 matter?

10 A I think that as I have previously testified,
11 there was -- we looked at this from two directions. One is
12 the question of whether the testimony itself was accurate
13 from the perspective of a duty to the Banking Committee.
14 And whether the testimony -- secondly, the question of
15 whether if the topic of recusal had come up at the February
16 2 meeting and was later disclosed, whether there was a
17 public affairs problem, if you will, whether people
18 would -- whether we would be in for another round of
19 negative publicity about that.

20 I think there was something of a different
21 reaction to those two questions on the point that you are
22 focused on. I don't remember the words "too cute" coming

1 up.

2 Q I'm not suggesting. I'm asking you whether, in
3 substance, anybody had a remark along those lines?

4 A We are coming back to the question. I think
5 that --

6 Q Just so it is clear. In this discussion, the
7 participants are Bernie Nussbaum, Joel Klein, Neil
8 Eggleston, Cliff Sloan and yourself; correct?

9 A It is Bernie Nussbaum, Cliff Sloan, Neil
10 Eggleston, Joel Klein, myself and then Lindsey comes in.

11 Q Did anyone at that meeting offer an opinion that
12 it was just, in substance, too close to the line?

13 A I am trying to drawing you this distinction that
14 I'm raising. I think it was important when I think it was
15 part of the meeting. I think that with regard to whether
16 it was -- I think everyone regarded it as close to the line
17 as opposed to over the line on what you are characterizing
18 as the "substance" and what I'm characterizing as what we
19 viewed as Altman's duty, and ultimately the
20 administration's duty, was to the committee.

21 I think that is distinct from the question of how
22 the press were treated in a later disclosure. I think that

1 the operating assumption of the meeting was that the press
2 would treat it very negatively if it was later disclosed.

3 MR. KRIEDEL: Later rather than sooner?

4 THE WITNESS: No. If this came out two weeks
5 later or three weeks later or in the next round of
6 testimony or whatever.

7 MS. SABRIN: As opposed to --

8 THE WITNESS: As opposed to now.

9 BY MR. BRAUNREUTHER:

10 Q This meeting lasted about 2-1/2 hours?

11 A Yes.

12 Q In the course of the meeting, did anyone express
13 the view during the course of this discussion that they
14 were surprised that this kind of an omission could have
15 occurred in light of the fact that the particular question
16 had been identified prior to the hearings and Mr. Eggleston
17 had -- that the particular question had been "identified"
18 prior to the hearings?

19 A I previously testified that I believe
20 Mr. Eggleston told me that he had heard the answer. I
21 don't have the specific recollection of when he said it or
22 where but it could have been in that meeting. In that

1 context it could have come up.

2 Q Mr. Eggleston relates that he had reviewed a
3 proposed question and answer to this question --

4 A I'm telling you I can't place that specifically
5 in the meeting. I believe I have heard that from
6 Mr. Eggleston. It would have been natural for it to have
7 been said in that meeting.

8 Q Regardless of what communications did or did not
9 take place between Mr. Eggleston and Mr. Altman, you have
10 already testified that the question had been identified in
11 anticipation of the hearings; correct?

12 A Yes.

13 Q Some efforts were made to make sure that
14 Mr. Altman was prepared for the question and would give an
15 accurate answer?

16 A Correct.

17 Q Now, at the time you are discussing the actual
18 testimony and the need to address this particular omission
19 with respect to recusal, did anyone offer the view that
20 they were particularly surprised that this could have
21 occurred in light of the fact that the question had been
22 highlighted for Mr. Altman prior to the hearings?

1 MS. SABRIN: I don't know that he ever testified
2 the question was highlighted for Mr. Altman. It was
3 highlighted for his staff. He never testified what the
4 staff at the Treasury did with that information.

5 BY MR. BRAUNREUTHER:

6 Q Without accepting my characterization as
7 "highlighted," would it be fair to say flagged the issue?

8 A The question was -- it was noted with the
9 Treasury Department.

10 Q There is an extensive record of what was known
11 prior to this. In the course of your meeting, the
12 2-1/2-hour meeting with at least four representatives of
13 counsel's office which lasted 2-1/2 hours, did anyone
14 offer -- make a comment which, in substance, was to
15 question how this could have occurred in light of the prior
16 identification?

17 A I don't have a specific recollection of that.

18 Q Can you give me any further insight into
19 particular things that may have been said at the meeting as
20 to how this could possibly have happened under the
21 circumstances?

22 A The only thing I kind of specifically recall was

1 that different people in the meeting had different
 2 concerns, not different concerns, but probably everyone
 3 shared concerns. They sort of took the lead on different
 4 issues, if you will. Bernie, with regard to the setting up
 5 of the meeting: Cliff, I think, talked extensively about
 6 the two meetings in the fall, although Bernie and Neil also
 7 talked about those meetings. Neil was particularly
 8 concerned and focused on the recusal point. As I
 9 previously testified, I think he actually flagged it for me
 10 over the weekend.

11 Q Tell me if you agree with this, that in a
 12 situation like this, Mr. Altman either lied or simply
 13 forgot these facts or attempted to adroitly sidestep
 14 questions that were posed by the Senators?

15 MR. KRIEDEL: He is not going to speculate about
 16 how it happened that Altman -- he has already testified as
 17 to what he understands from having talked to Mr. Altman
 18 after the testimony when he called him to deal with the
 19 clarification of the record. He is not going to speculate
 20 about other theories about how things could happen in the
 21 world.

22 BY MR. BRAUNREUTHER:

1 Q Let me ask you this. With respect to your
 2 2-1/2-hour meeting with four other individuals directed
 3 specifically to this matter, did anyone question whether or
 4 not Mr. Altman had purposely lied, adroitly sidestepped the
 5 issue or simply forgot the issue?

6 A I don't think anyone raised the question of
 7 whether he lied. I think it was the assumption that he
 8 hadn't lied in the meeting. I think the operating
 9 assumption I suppose was the last, but I don't know what --
 10 as I said, I have testified to what Mr. Altman said to me
 11 in that conversation.

12 Q Did anyone make the observation at the meeting
 13 that the two problem areas of the testimony pertained to
 14 particularly sensitive areas, one being the failure to
 15 disclose that the White House had been involved in
 16 discussions regarding recusal, and the second being that
 17 Mr. Altman had failed to disclose meetings involving
 18 criminal referrals?

19 A I think that -- well, the third was whether
 20 Bernie set up the meeting.

21 Q I believe you testified with respect to that.

22 A Whether he had set up the meeting through

1 Bernie. So, I don't know whether you would think that is a
2 particular problem area or not.

3 Q Let me ask you --

4 A We identified the issues which we thought were
5 problems.

6 Q Did you hear my question, though? All I want to
7 know is whether or not what I have stated to you was in any
8 way discussed during the course of your 2-1/2-hour meeting
9 with these four or five other individuals.

10 MR. KRIEDEL: I'm not sure I understand --

11 THE WITNESS: I think we really discussed the
12 substance. My recollection is we discussed the substance
13 of the testimony and the facts that we were aware of that
14 could be added to the testimony which would make it more
15 complete and what side of the line those things fell on in
16 terms of whether Mr. Altman had a duty to clarify the
17 record.

18 BY MR. BRAUNREUTHER:

19 Q So, your testimony -- your answer is no, no one
20 made those particular observations about the admissions,
21 that those two happened to be in particularly sensitive
22 areas?

1 A I don't recall that.

2 Q And looking forward, did anyone make the point
3 that to correct the record or to clarify the record would
4 require disclosure of particularly sensitive information
5 such as the fact that criminal re -- there were discussions
6 regarding criminal referrals and there were discussions
7 involving the White House contacts regarding recusal?

8 A I don't know whether -- I don't recall whether
9 anybody made the point that there were particularly
10 sensitive disclosures involved. I think it was clear at
11 the end of the meeting that at least with regard to Senator
12 Bond, which I think that people viewed as the answer to
13 Senator Bond's question as the most, again from a public
14 affairs standpoint, the most troublesome, that we were
15 going to ask Mr. Altman to correct the record on that
16 point.

17 Q Is it your testimony that no one during this
18 meeting on March 1 mentioned that to disclose that the
19 White House was involved in recusal discussions with
20 Mr. Altman could be embarrassing to the White House?

21 A No. I think the assumption of the debate about
22 coming out later was it was an embarrassing fact when

1 disclosed.

2 Q So it was recognized that to --

3 A Or that it would be embarrassing.

4 Q It was recognized to disclose at a hearing or
5 publicly in the press that the White House participated in
6 recusal decisions could be embarrassing to the White House?

7 A No. I think the question is we were to the point
8 of correcting the record.

9 Q I believe you used the word the correction
10 involving disclosure of the White House participation in
11 recusal discussions could be embarrassing to the White
12 House; is that right?

13 A I think we assumed -- I think that there was at
14 least an assumption that that could be embarrassing to the
15 White House.

16 MS. SABRIN: He didn't say that the disclosure of
17 recusal could be embarrassing. He said the fact of --

18 MR. BRAUNREUTHER: The White House involvement in
19 that discussion.

20 THE WITNESS: No. I'm saying that the correction
21 of the record on the point of recusal was likely, in that
22 climate, to be embarrassing.

1 BY MR. BRAUNREUTHER:

2 Q It is your testimony that no one in the meeting
3 mentioned that to disclose would now, for the first time,
4 that the White House participated in a discussion regarding
5 Mr. Altman's recusal would in itself be embarrassing for
6 the White House? Is that your testimony?

7 A I think that was water under the bridge. We were
8 in the context of which -- the question was were we going
9 to correct the record on that point. I think that the
10 assumption was that with regard to the record on that point
11 that the publicity would be negative.

12 Q Because it would entail disclosing that the White
13 House participated in a discussion as to whether Mr. Altman
14 should recuse himself or for other reasons?

15 A I think -- I don't think you can kind of parse
16 through that. I think it was just viewed as something that
17 would be negative. I think it was the fact that he hadn't
18 said it in his testimony added, I think, to what we
19 perceived would be press interest in and kind of negative
20 press spin on its subsequent disclosure.

21 Q I have a follow-up question with respect to your
22 conversation with Mr. Altman following your March 1 meeting

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1 that we have been speaking about. I believe you testified
2 that when you reached -- that in the course of your
3 discussion with Mr. Altman, there came a point that you
4 reached the issue of him correcting the record with respect
5 to prior meetings which had not been disclosed; is that
6 right?

7 A We were talking about Senator Bond's question in
8 terms of reference to the White House notification of the
9 criminal referrals.

10 Q I believe you said when you reached that point,
11 you observed a change in Mr. Altman's willingness to
12 discuss the issue; is that true?

13 A I think, yes.

14 MR. KRIEDEL: That's a characterization of the
15 testimony.

16 THE WITNESS: My testimony was that I think at
17 that point it is my sense that he felt like I was about to
18 give him facts that he didn't know and he wasn't sure that
19 he wanted to receive them from me and wanted to talk to his
20 own people about that.

21 BY MR. BRAUNREUTHER:

22 Q Can you explain to me in your own words why it

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1 would be at that circumstance that Mr. Altman wouldn't want
2 to learn information?

3 A I didn't say that he didn't want to learn it. I
4 said that he didn't want to learn it from me.

5 Q Can you tell me what your understanding is at
6 that time as to why he wasn't want to learn it from you.

7 A I can't really speculate as to what he was
8 thinking about.

9 Q But it was clear from your discussion with him
10 that he did not want to learn from you the facts and
11 circumstances that you had available to you regarding these
12 fall meetings?

13 A I think the meeting -- I think the conversation
14 ended in a way in which I felt comfortable that, at least
15 in the short run, that we had reached a place where he was
16 going to learn the information that I had.

17 Q What was the big mystery about you not speaking
18 at that point to Mr. Altman and plainly stating that you
19 had information from Cliff Sloan and Bernie Nussbaum that
20 there had been meetings in the fall regarding criminal
21 referrals?

22 MR. KRIEDEL: He has already testified that he

1 can't speculate as to why Mr. Altman preferred to talk
2 first with his own counsel at the RTC than to engage in
3 this conversation.

4 MR. BRAUNREUTHER: But he can testify as to his
5 own understanding at that point in time and what it was
6 that led you not to impart this information which you
7 apparently perceived to be very important to Mr. Altman at
8 the time.

9 THE WITNESS: I felt like he was going to get
10 it.

11 BY MR. BRAUNREUTHER:

12 Q Was it just economy of conversation?

13 A No. He was reluctant to hear it from me and made
14 that clear. I felt like I had set up a situation where he
15 would receive the information and once he received it, he
16 would understand it was important and correct the record.

17 Q You understood there was an express request that
18 you terminate the conversation at that point; is that
19 right?

20 A Not that we terminate the conversation but that
21 we not discuss matters which he was unknowledgeable about
22 and that I was going to add knowledge.

1 Q Did you understand that the knowledge that -- you
2 understood you didn't have to terminate the conversation;
3 you just didn't have to add any more knowledge?

4 A I read the question -- I have testified to the
5 conversation. I don't know where we are going here.

6 MR. KRIEDEL: Off the record.

7 (Discussion off the record.)

8 MR. BRAUNREUTHER: Can we go back to the
9 question.

10 MR. KRIEDEL: I think you were about to ask one.
11 Please read back the last question.

12 (The reporter read the record as requested.)

13 BY MR. BRAUNREUTHER:

14 Q Is that right?

15 A I go back to my last answer. I testified to the
16 conversation.

17 Q Do you want my question read back.

18 (The reporter read the record as requested.)

19 THE WITNESS: My understanding was that
20 Mr. Altman preferred to discuss the matter with his people
21 and I was comfortable with that.

22 BY MR. BRAUNREUTHER:

1 Q Did you understand that therefore you should not
2 impart any further information to him during that
3 conversation about that matter?

4 A "Should not"? I understood that that was his
5 preference. I felt comfortable with that.

6 Q You accepted that preference and did not at that
7 point impart any of the information you understood he did
8 not want to receive from you at that point; right?

9 A I did not impart that information at that point.

10 Q Because he didn't want to receive it; right?

11 A Because he wanted to discuss it with his own
12 people.

13 Q And he didn't want to receive it from you at that
14 point in the conversation?

15 A He did not want to receive it from me at that
16 point in the conversation.

17 Q Let's explore your understanding about what the
18 information was that he didn't want you to impart to him.
19 Can you tell me what that information was.

20 A I can tell you what I knew at that time.

21 Q Tell me what you would have said to him which you
22 did not tell him based on his request to you.

1 MR. KRIEGL: You can go through it briefly. You
2 have been through it I don't know how many times before.

3 THE WITNESS: There was a meeting on September 29
4 between Bernie Nussbaum, Jean Hanson, I think, later joined
5 by Cliff Sloan, if my memory serves me, in which the topic
6 of criminal referrals was raised, that there was a
7 subsequent meeting on October 13 or 14 in which a number of
8 people from counsel's office, I think that is Nussbaum,
9 Sloan and Eggleston, DeVore, Hanson, Mark Gearan and
10 Steiner discussed press inquiries about the criminal
11 referrals that were being received at least by Treasury. I
12 don't know if they were received by the White House. I
13 can't remember. Those two meetings had taken place in the
14 fall.

15 BY MR. BRAUNREUTHER:

16 Q And that they pertained to criminal referrals?

17 A And that they -- that they were responsive to
18 Bond's question.

19 Q About criminal referrals?

20 A About criminal referrals.

21 Q Did you find it odd at the time that he would not
22 want you to communicate or mention criminal referrals on

1 the telephone in that conversation?

2 A I didn't really understand his motivation.

3 MR. KRIEGL: Your question presupposes he knew
4 what information was going to be imparted.

5 THE WITNESS: I was trying to respond to that.

6 BY MR. BRAUNREUTHER:

7 Q Did you have an understanding --

8 A I didn't understand exactly what he was reacting
9 to in the line of conversation I had started to engage in.

10 So I wouldn't characterize it as -- I would just say I
11 didn't understand it. I didn't know why he was doing it.

12 Q I want you to take a look at Mr. Altman's letter
13 to the Banking Committee dated March 2. It is a very short
14 letter. I want to ask you whether in your opinion that
15 fairly corrects the record with respect to the two issues
16 which you had asked Mr. Altman to address during your March
17 1 conversation with him.

18 A You let me take this in two parts. It doesn't
19 deal with the recusal issue at all.

20 Q That was an issue which you brought to his
21 attention?

22 A I raised but as I said, I thought that there was

1 a -- I felt differently and I think the weight of the
2 meeting was this -- I felt differently, that that was a
3 different issue than the response to Senator Bond, that
4 there was a question about a duty of correction versus a
5 question about the best course and the best judgment. I
6 was comfortable with regard to recusal. I felt we were not
7 on the duty side, that the duty to correct the record on
8 that point. I think it was left in his hands to decide
9 what the best course or the best judgment was about that.
10 This letter does not address that issue. That is one.

11 Q I realize that the letter makes no mention
12 whatsoever of recusal in the letter.

13 A Right.

14 Q What I would like to know is in light of your
15 2-1/2-hour meeting with senior members which you described
16 in great detail and your own communication to Mr. Altman,
17 whether you would be satisfied that that letter addressed
18 the concerns which you and your colleagues in the White
19 House identified the evening before the letter was
20 written.

21 A I am saying it didn't address the recusal
22 question. I don't think it addresses it at all.

1 Q And now let's address the second issue, which was
2 the question of the fall meetings and in particular the
3 criminal referrals which were the subject of those fall
4 meetings.

5 A I think, on that point, I think the conclusion of
6 our 2-1/2-hour meeting was that we did have a duty to
7 correct the record on that point in response to Senator
8 Bond's question; although inartfully stated, if you go back
9 to Senator Bond's question, that the information was
10 provided that is responsive to Senator Bond's question.

11 Q Can you tell me where in the letter the
12 information is provided which was responsive to Senator
13 Bond's question about whether or not the RTC had
14 communicated with the White House regarding criminal
15 referrals?

16 A Whether the RTC had?

17 Q Are the terms "criminal referral" mentioned in
18 that letter?

19 A No, they are not. But Senator Bond's question is
20 mentioned in the letter.

21 Q The question was out there. I thought the
22 correction that you were looking from Mr. Altman pertained

1 not to Senator Bond's question but to Mr. Altman's answer.

2 A I accept that.

3 Q Maybe you can read to me the passage that you
4 think --

5 A I --

6 Q -- was responsive --

7 MR. KRIEGL: He said --

8 BY MR. BRAUNREUTHER:

9 Q Can I have the witness answer the question.

10 A "When Senator Bond asked me that at that hearing
11 whether any other communications had taken place between
12 the RTC and the White House" and I think the confusion here
13 is that is not what Senator Bond asked him, "my response
14 was not to my knowledge. I still have no knowledge that
15 any such discussion occurred, but I have learned today of
16 two conversations which did take place between Treasury
17 staff and White House personnel on this matter. My
18 information is that both related to the handling of press
19 inquiries."

20 Q You mentioned in reading your answer, in reading
21 that passage that that was not the question that Senator
22 Bond asked?

1 A That's correct.

2 Q I assume what you mean by that is the particular
3 question which you and your colleagues at the White House
4 found problematic and which Mr. Altman had not answered
5 properly pertained to --

6 A Criminal referrals.

7 Q With that in mind, that the clarification that
8 you had advised Mr. Altman about pertained to criminal
9 referrals, can you again look at that letter and tell me
10 wherein that March 1 -- March 2 letter is there any mention
11 of criminal referrals.

12 A Criminal referrals are not mentioned. Senator
13 Bond's question is mentioned. If somebody went back to the
14 transcript to look -- Senator Bond, who presumably would be
15 the person most interested in this, went back and looked at
16 it, I think you would have the context for the answer.

17 Q I want to go back to the question I asked you
18 initially about this.

19 In your opinion, did that satisfy the concerns
20 that you and your colleagues in the White House had that
21 Mr. Altman correct the record with respect to that issue?

22 A I think that I would have drafted a different

1 letter. But I think the information about the two meetings
2 is in this letter.

3 Q Show me where the information about the criminal
4 referrals is in that letter.

5 A I learned of "two conversations which did take
6 place between Treasury staff and White House personnel on
7 this matter." Senator Bond's matter. As I said --

8 Q I think you testified earlier that, as far as you
9 read, it was responsive to another question posed by
10 Senator Bond?

11 A No, I didn't testify to that. I don't believe
12 Senator Bond asked this question, which is why this letter
13 is slightly confusing.

14 MR. KRIEDEL: I think the testimony was this is
15 an "inartful" characterization of the question that the
16 Senator --

17 MR. BRAUNREUTHER: I don't need your testimony.

18 MR. KRIEDEL: It is the testimony on the record.

19 MR. BRAUNREUTHER: Then let's leave it on the
20 record.

21 THE WITNESS: I will come back to it. Let me
22 have a chance to explain this. Bond asked a different

1 question. I don't believe Bond asked this question.
 2 Senator Bond presumably would look at this answer and know
 3 the question he asked. In that sense, it is responsive.
 4 But I have already said that I think I would have written a
 5 different letter.

6 BY MR. BRAUNREUTHER:

7 Q I'm not interested in whether Mr. Altman
 8 corrected his answers as to other questions. I want to
 9 know whether or not he corrected his answer to the question
 10 that you at the White House had identified as problematic
 11 and asked him to address.

12 A We were concerned that he disclose the existence
 13 of the two meetings in which the subject of criminal
 14 referrals was mentioned.

15 Q Is it now your testimony that you were not
 16 concerned that he disclose the fact that his agency had
 17 been involved in making the White House aware of the
 18 criminal referrals? Is that your testimony?

19 A No.

20 Q Is it your testimony then that --

21 A I am going back to Senator Bond's question, which
 22 is fairly specific.

1 Q What was the question which you and your
 2 colleagues identified on March 1 that needed correction?

3 MR. KRIEGEL: That has been asked and answered 10
 4 times.

5 THE WITNESS: That he had not adequately answered
 6 Senator Bond's question.

7 BY MR. BRAUNREUTHER:

8 Q Which question was that?

9 A Let's get the transcript out. Senator Bond's
 10 question was "how was the White House notified of the
 11 referral? Was it from your agency?" That's Senator Bond's
 12 question.

13 Q That was the question?

14 A That was the question we cared about.

15 Q That was the question you told Mr. Altman he
 16 needed to correct?

17 A Correct.

18 Q Which was to disclose how the criminal referral
 19 in essence was communicated to the White House?

20 A Correct.

21 Q Now, what passage is there -- first, let me ask
 22 you, do you believe that that letter, artfully or

1 inartfully, successfully achieved what you wanted in the
2 White House in the form of a clarification?

3 MR. KRIEGEL: He has already testified that the
4 letter contained the information that the White House felt
5 needed to be communicated to the committee.

6 BY MR. BRAUNREUTHER:

7 Q Read the words so I'm clear in my mind what you
8 believe satisfied the White House concerns as they were
9 articulated in this group on March 1.

10 A I will state again that I would have written a
11 different letter. I think that --

12 Q All I would like you to do is identify in the
13 passage --

14 A Senator Bond asks -- he is clearly responding to
15 Senator Bond and he is disclosing two meetings that took
16 place between Treasury staff and White House personnel.

17 Q And --

18 A The subject matter Senator Bond was asking about
19 was criminal referrals.

20 Q Just so I'm clear, you would have no problem -- I
21 don't want to say that because you did say it was
22 inartful.

1 A I would have written a different letter, I said.
2 I also have testified that I didn't see the letter at the
3 time.

4 Q No one at the White House to your knowledge
5 followed up or even looked at the letter during that period
6 of time, right?

7 A To my knowledge, no one reviewed this letter at
8 that time.

9 MR. BRAUNREUTHER: I have no further questions.

10 BY MR. BRAUNREUTHER:

11 Q I would like to show you a document which I will
12 have marked as Exhibit -- it doesn't bear any Bates
13 stamps. We will have it marked Exhibit 1. I would ask you
14 if you can review that document and identify it for me.

15 (Witness examined the document.)

16 Do you recognize the document?

17 MS. SABRIN: Is there anything in that document
18 about contacts?

19 MR. KRIEGEL: I reviewed it and I don't see
20 anything about White House-Treasury contacts about
21 Madison. If there isn't anything in there, he is not
22 answering this question.

1 I would also like the record to reflect this
2 document was delivered in an envelope that was opened at
3 7:45 p.m. and was not marked as an exhibit, no copies were
4 furnished and it doesn't appear that there is any
5 particular question that is pertinent to the subject matter
6 of these hearings.

7 BY MR. BRAUNREUTHER:

8 Q Are you familiar with -- do you recognize the
9 document?

10 MR. KRAVITZ: I have to say, I think if you are
11 going to ask the witness questions about a document, you
12 should mark it as an exhibit. Otherwise the record --

13 MR. BRAUNREUTHER: Sure, I will mark it.

14 (Podesta Exhibit 1 identified.)

15 MR. KRAVITZ: The record should reflect we have
16 marked it as Exhibit Number 1. I haven't seen it either.

17 BY MR. BRAUNREUTHER:

18 Q Is it your position he is not going to answer any
19 questions that have to do with this exhibit?

20 MR. KRIEGEL: If you can point to something in
21 there that has to do with White House-Treasury contacts.

22 (Discussion off the record.)

1 MR. BRAUNREUTHER: I will need -- it is very
2 late. I myself need to look at the document. I anticipate
3 objections based on the scope and I'm not confident myself,
4 as I look at the document, what time frame it was
5 prepared. On that basis, I intend not to ask any questions
6 with respect to the document at this time.

7 MR. KRIEGEL: We appreciate that. Thank you very
8 much.

9 (Pause.)

10 MR. KRIEGEL: Back on the record.

11 This document that was just delivered has been
12 marked as Exhibit Number 1 and it has been entered into
13 evidence for purposes of this deposition. We would like it
14 to remain a part of the record whether or not ultimately
15 there is some view that it is relevant to any inquiry.

16 MR. BRAUNREUTHER: I am prepared not to offer it
17 as part of the record, not to ask questions about it. What
18 I'm not going to do is have it made part of the record and
19 then not ask questions about it. You have interposed an
20 objection to me asking any questions of the witness with
21 respect to this document, which I have said to you I just
22 received. I don't know the full details of the document.

1 If you want to allow me to ask questions of the witness
 2 with respect to the document, I will be happy to do that.
 3 If not, then I wouldn't offer this as part of the record.

4 MR. KRIEGEL: You have already offered it and it
 5 has already been admitted. I believe the record reflects
 6 that. If you have questions within the scope and you want
 7 to ask them, fine. If not, if you have questions outside
 8 of the scope, we are not going to answer them and we can
 9 just proceed from there. If it is something that you
 10 think -- you are reserving the right to call him back and
 11 ask him about it. You want an opportunity to review it and
 12 you are reserving the right to call him back and ask him
 13 about it. That's fine. We have agreed to that and it
 14 stays in the record.

15 MR. KRAVITZ: I do not have a position on the
 16 relevance of any of this because I haven't had the chance
 17 to read the document. I do think once a document has been
 18 marked as an exhibit, it is inappropriate to withdraw it as
 19 an exhibit. I do think it should remain part of the
 20 record.

21 MR. BRAUNREUTHER: I will reserve the right,
 22 until I have had an opportunity to examine the document, to

1 recall the witness and ask questions with respect to the
 2 document.

3 MR. KRIEGEL: That's what I understood your
 4 position was at the outset.

5 MR. BRAUNREUTHER: You had an opportunity to
 6 review the document. Do you have any objections as to the
 7 document at this point?

8 MR. KRIEGEL: We had an opportunity to skim it,
 9 certainly haven't studied it. It, on a brief review,
 10 appeared to have nothing to do with contacts between the
 11 White House and Treasury relating to Madison.

12 MR. BRAUNREUTHER: Do you intend to have any
 13 objections with respect to the document at this time?

14 MR. KRIEGEL: I think I stated my objection on
 15 this.

16 BY MR. BRAUNREUTHER:

17 Q Are you familiar with the document?

18 MR. KRIEGEL: Not now.

19 MR. BRAUNREUTHER: My understanding was you
 20 interposed an objection about the document.

21 MR. KRIEGEL: I thought we understood you were
 22 going to review it and if you thought there were questions

1 within scope, you were going to call him back.

2 MR. BRAUNREUTHER: I'm happy to do that. If you
3 are prepared to go ahead and allow me to ask questions
4 about the document, I would be happy to do that. If you
5 want to object --

6 MR. KRIEGEL: How can you ask questions about a
7 document if you haven't reviewed it yourself.

8 MR. BRAUNREUTHER: Let me ask the witness whether
9 or not he recognizes the document and is familiar with it.

10 BY MR. BRAUNREUTHER:

11 Q Are you familiar with the document?

12 MR. KRIEGEL: Do you recognize the document, I
13 think, is the question.

14 THE WITNESS: I recognize the document.

15 BY MR. BRAUNREUTHER:

16 Q Did you prepare the document?

17 MS. SABRIN: We haven't established this document
18 is relevant to the scope of these hearings. Until you can
19 point to something in the document --

20 MR. BRAUNREUTHER: Let me ask a foundation
21 question.

22 MR. KRIEGEL: Look, review the document, if you

1 think it is relevant to question about this document,
2 fine.

3 MR. BRAUNREUTHER: We are talking now about
4 something that will take all of about 10 seconds if we get
5 an authentication.

6 BY MR. BRAUNREUTHER:

7 Q Did you prepare the document?

8 A No.

9 Q Do you know who did prepare the document?

10 A No.

11 Q Do you know whether Mr. Stephanopoulos prepared
12 the document?

13 A Wait. What is the document?

14 Q The document sitting in front of you marked
15 Exhibit 1.

16 A There is what appears to be a cover sheet on the
17 document.

18 Q For the record, let's describe it. It is one,
19 two -- it is a seven-page document with the cover sheet.

20 A Is the cover sheet one of the seven pages?

21 Q Yes.

22 MR. KRAVITZ: I think Mr. Podesta's point was he

1 couldn't identify a single person as the person who
 2 prepared the document because it appears as if more than
 3 one person prepared different parts of that exhibit?

4 THE WITNESS: Exactly.

5 BY MR. BRAUNREUTHER:

6 Q Is that your understanding, that it was prepared
 7 by more than one person?

8 A No. I don't know who prepared -- it appears to
 9 be a cover note covering a document.

10 Q Do you know who prepared the cover note?

11 A It appears to be George Stephanopoulos.

12 Q Do you know who prepared --

13 A I don't know who --

14 Q Do you know who prepared the balance of the
 15 document?

16 A I do not know.

17 Q With respect to the document excluding the cover
 18 sheet, have you seen it before?

19 A I believe so. I can't be certain.

20 Q Can you be certain whether you played any role in
 21 the preparation of the document?

22 A I can be.

1 Q Have you?

2 A No.

3 Q So, to your knowledge, it was prepared by someone
 4 else, not yourself?

5 A Correct.

6 Q Do you know whether it was Mr. Stephanopoulos
 7 that prepared the document?

8 MS. SABRIN: We don't know what relevance this
 9 document has to these proceedings so who prepared it is not
 10 relevant.

11 BY MR. BRAUNREUTHER:

12 Q Do you know who prepared the document other than
 13 the cover sheet?

14 A No.

15 MR. BRAUNREUTHER: Thank you.

16 (Whereupon, at 7:55 p.m., the deposition was
 17 concluded.)

18

19

20 -----
 JOHN D. PODESTA

21

22

CERTIFICATE OF NOTARY PUBLIC & REPORTER

269

I, BRENDA M. SMONSKEY, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn; that the testimony of said witness was taken in shorthand and thereafter reduced to typewriting by me or under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and, further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.


Notary Public in and for the
District of Columbia

My Commission Expires APRIL 14, 1996

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September 26, 1994

Ms. Lori Beane
Committee on Banking, Housing & Urban Affairs
U.S. Senate
Dirksen Senate Office Building
Room 534
Washington, D.C. 20510

Re: Deposition Corrections

Dear Ms. Beane:

Enclosed herewith are typed versions of the corrections to the depositions of our clients, Mr. Harold M. Ickes and Mr. John D. Podesta. These reflect the corrections as made and executed by Mr. Ickes on July 26, 1994 and by Mr. Podesta on July 31, 1994.

If there are any questions I can be reached at (202) 371-7699.

Sincerely,


Amy R. Sabrin

Enclosures

Changes to the Podesta Deposition Transcript

- page 5 / line 1 "Mr. Clark" should be "Mr. McLarty"
- page 19 / line 9 "Feb 2" should be "Feb 22"
- page 51 / line 13 "chairmanship" should be "general shape"
- page 51 / line 16 "saw to" should be "sought"
- page 52 / line 10 "implausible" should be "plausible"
- page 53 / line 3 "a majority of my time" should be "not a majority of my time"
- page 62 / line 9 "Feb 22" should be "Feb 2"
- page 85 / line 19 "Counsel's office" should be "Stern's office"
- page 89 / line 2 "This" is beginning of a Q
- page 89 / line 4 The ", " after February 24 should be "?"
- page 89 / line 5 "yes" is an A
- page 98 / line 15 "Nussbaum" should be "Altman"
- page 108 / line 20 "our" should be "a"
- page 164 / line 14 between "my Deputy" and "counsellor" add a comma
- page 185 / line 16 "boring" should be "complicated"
- page 207 / line 18 "by" should be "of"
- page 219 / line 10 the first "answer" should be "ask"
- page 222 / line 20 "contact with" should be "context of"

- page 235 / line 22 "were treated" should be "would treat it"

/s/ John D. Podesta

July 31, 1994

05:17:04 13:29

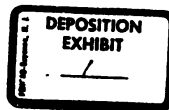
--- D ANATO

4002

To: John Robert
Pat Griffin
Harold Tches

Fr: GS .

This is a very
good piece of
work



05-17-94 13:29

--- D'AMATO

C003

March 1994

Watching Senator D'Amato over the past few days one keeps hearing him say the same phrases about the Whitewater/Madison Guaranty situation: ..

The public has a right to know...

The Congress has the responsibility of oversight...

Obfuscation...

There's a cover up...

There needs to be openness...

Ironically, for each one of these phrases Senator D'Amato has had his own experiences, and as he calls for particular actions such as hearings or investigations, he himself should be called upon in much the same manner.

The public has a right to know...

Senate Ethics Committee Testimony

Senator D'Amato testified before the Senate Ethics Committee for four days (July 22, 23, 24, 25, 1991) in secret, closed session.

The Ethics Committee rebuked him for running his office "in an improper and inappropriate manner," by allowing it to be "systemically misused" for his brother's personal gain, yet his testimony has never been released.

Beyond his censure, there are many unanswered questions surrounding the inquiry, particularly the fact that 35 of 66 witnesses refused to talk under their 5th Amendment rights.

The public has a right to know what questions the Senator was asked and how he answered during those four days of testimony. Senator D'Amato can help clear the air and let the public know what's going on if he releases his testimony. He says he doesn't have a copy of his testimony but he can get one for the asking.

Under the Rules of Procedure of the Ethics Committee (adopted February 23, 1978, revised May 1993), Senator D'Amato has two way that he can request that his testimony be released to the public:

- o D'Amato can for ask for the release of his own testimony under his rights as a witness according to Rule 6 Paragraph k Section 3, Part II: Supplementary Procedural Rules, p. 27 which states that "If the testimony was given in executive session, then a transcript copy shall be provided upon request, (emphasis added) subject to appropriate conditions and restrictions prescribed by the Chairman and Vice Chairman." Under this rule D'Amato simply could obtain his own testimony, which he claims that he doesn't have, and then ask the Chairman and the Vice Chairman permission to release it.
- c D'Amato can for ask for the release of his own testimony under his rights as a Senator according to Rule 9 Paragraph c Section 3, Part II: Supplementary Procedural Rules, p. 31 which states that "Any Member of the Senate who is not a member of the Committee and who seeks access to any Committee Sensitive or classified documents or materials of public record, shall request access in writing. The Committee shall decide by majority vote whether to make documents or materials available. If access is granted, the Member shall not disclose the information except as authorized by the Committee." Under this rule D'Amato would have to request, from the full Committee, both a copy of his testimony, and permission to release it.

Status: Senator D'Amato should let the people make their own judgment about the inquiry and he should request that his testimony be released.

The Congress has the responsibility of oversight...

HUD/Puerto Rico

One of the primary allegations that the Ethics Committee investigated was that Senator D'Amato illicitly steered HUD projects to his chief fundraiser in Puerto Rico, Eduardo Lopez-Ballori, in exchange for illegal campaign contributions.

The Committee stated that its investigation in this matter was hampered because several essential witnesses took the 5th. The Committee chose not to compel testimony because of concurrent criminal investigations.

Unsurprisingly, the Committee found no wrongdoing in the limited inquiry it conducted yet, it added that the matter was closed "without prejudice to reopening if and when additional relevant testimony or evidence becomes available." (Statement of the Senate Select Committee on Ethics regarding Senator D'Amato, August 2, 1991 p. 7)

The concurrent criminal investigation that so interfered with the Ethics Committee was the Federal prosecution of Lopez-Ballori. Because of the difficulty in finding an indictable offense, Lopez-Ballori was tried for causing D'Amato to file a false FEC report. The first trial ended in a hung jury and during the mid-November 1992 retrial the judge threw out the case after a key witness -- the defendant's friend and business partner -- changed her testimony.

Now that the criminal prosecution and the trial are over, the Ethics Committee has the responsibility of oversight and should reopen its own investigation as it stated it would.

There are two compelling reasons for reopening the Ethics investigation in the HUD/Puerto Rico matter:

- o First, as the trial is over, there is now "additional relevant testimony or evidence" available, i.e. those witnesses who initially declined to testify. The Committee can now recall them and require them to testify under immunity orders.
- o Secondly, from exhibits presented at the trial there is evidence that D'Amato may have perjured himself before the Committee on this matter.

D'Amato said publicly, and in sworn testimony before the Ethics Committee, that he had never pushed for any particular HUD project, but that he merely suggested that the island of Puerto Rico should get more funding. However, there was documentary evidence presented at the trial indicating that D'Amato *had* lobbied for specific HUD projects -- meaning that he may have perjured himself before the Ethics Committee.

Status: The Ethics Committee has the responsibility of oversight and should reopen its investigation into the HUD/Puerto Rico matter because of the newly available witnesses and to examine whether Senator D'Amato lied to the Committee and committed perjury.

*Obfuscation...**Coaching a Witness to Lie*

In October, 1992 it was learned from reports in both *The New York Times* and *Newsday* that Senator D'Amato was under investigation by the Bush Department of Justice's Public Integrity Section. D'Amato had apparently attempted to obfuscate his role in the HUD scandals by coaching a former HUD official to lie to a Federal grand jury.

This situation concerns Joseph Monticciolo, who D'Amato had installed in 1981 as the New York regional administrator of HUD. Monticciolo was so close to D'Amato that he had a telephone speed dial to D'Amato's office.

Monticciolo, who had left HUD, testified before a House Subcommittee about the HUD scandals in late July 1989. He was questioned about D'Amato's involvement in steering HUD contracts to his associates and fundraisers in New York and Puerto Rico. Monticciolo indicated to the Subcommittee that he had worked with D'Amato in awarding the grants in questions.

D'Amato and Monticciolo met on September 30, 1989 at D'Amato's Island Park, Long Island home. At the time there was a Federal grand jury empaneled in Brooklyn probing the HUD scandal. At the meeting D'Amato reportedly told Monticciolo that if he was called before the grand jury, he should describe the awarding to the contracts in such a way to exonerate D'Amato — in other words that he should lie about D'Amato's involvement.

After the meeting Monticciolo told Arnold Biegen, his lawyer, about what had happened and about D'Amato's urging him to lie to the grand jury. Biegen prepared a memorandum on October 4, 1989 detailing Monticciolo's account.

The memo, detailing D'Amato's attempt to coach Monticciolo came into the possession of law enforcement officials when its author, Biegen, was arrested and convicted on unrelated larceny charges.

Because of the seriousness of the charge — that a sitting U.S. Senator had sought to obfuscate a Federal grand jury's probe by coaching a witness to lie under oath — the case was forwarded to the Bush Justice Department's Public Integrity Section in Washington.

Status: There has been no indication that the Public Integrity investigation that Senator D'Amato coached a witness to lie has concluded.

There's a cover up...

Lying to the Ethics Committee

Following the release of its report on Senator D'Amato on August 2, 1991, the Senate Ethics Committee, suspecting that witnesses were participating in a cover up and had lied under oath, forwarded the secret testimony of 13 witnesses to the Bush Department of Justice for potential perjury prosecutions. This referral for possible prosecution was reported in *Newsday* and *Roll Call*.

Since so many of the witnesses sought out by the Committee refused to testify under their 5th Amendment rights (35 or 66) it left only 31 who did talk, plus 7 of the 35 that the Committee compelled to testify under immunity orders.

Of these 38 who actually did testify, fully one third, (13) were suspected by the Ethics Committee as having lied under oath.

Two of these individuals were former D'Amato staff members and their cases fall under the Public Integrity Section. Additionally, of the 13 possible perjurers, 11 were D'Amato allies who testified about the rigged system of awarding of HUD-funded houses to D'Amato's relatives and friends in his hometown of Island Park, Long Island.

The possibility of cover up about the Island Park houses is quite real because the Ethics Committee did, in fact, not clear D'Amato of involvement in the rigged system. The Ethics Committee simply stated that no violation had occurred *within the Committee's jurisdiction*, meaning that D'Amato's involvement with the rigging took place *before* he entered the Senate in January 1981 and was therefore outside the scope of the Senate Ethics Committee.

It's very significant that a United States Senator might be implicated with a cover up involving perjury to a Senate Committee.

Status: There has been no indication that the possible perjury investigations of Senator D'Amato's allies concerning a potential cover up have concluded.

There needs to be openness...

United States of America v. The Incorporated Village of Island Park

In March 1990 the United States of America sued Senator D'Amato's small Long Island hometown of Island Park in a civil rights and fraud case (Case# CV-90-0992, United States District Court, Eastern District of New York). In taking this action the Bush Justice Department alleged that Island Park -- which D'Amato had run almost as a personal fief -- had illegally rigged a HUD-funded housing program to steer houses to friends and relatives of D'Amato and others, and had done so in a racially exclusionary manner.

Although D'Amato was not named as a defendant in the lawsuit -- he had been included in the first draft of the government's case -- the government submitted court papers saying that he was "deeply involved" in the HUD program.

While the housing program was supposed to be open, with 17 of the 44 homes targeted for blacks, the Village effectively closed it so no blacks received houses, while six houses were fraudulently awarded to friends and relatives of Village insiders.

In court papers presented by the Justice Department, D'Amato is described as personally interceding with Village officials to give houses to his cousins and not to give a house to another resident, thus bypassing the normal bidding process.

Additionally, the government submission states that when Presiding Supervisor D'Amato said that the program wouldn't be open and that there would be no "federal strings" and that participation would be limited to current Island Park residents (the Village is 96% white).

Status: The case of U.S. v. Island Park has not yet gone to trial and is still pending in Federal court in Brooklyn. Though the government details Senator D'Amato's close association with the fraudulent and racially exclusionary rigged program that was supposed to be open, his involvement preceded his Senate term and therefore fell outside the jurisdiction of the Senate Ethics Committee.

**DEPOSITION OF MARK D. GEARAN
IN RE: S. RES. 229**

SATURDAY, JULY 23, 1994

**U.S. SENATE,
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
Washington, DC.**

Deposition of MARK D. GEARAN, called for examination pursuant to notice of deposition, at 9:35 a.m. in the Hart Senate Office Building, Room SH-640A, before PATRICIA A. ZUBER, a Notary Public within and for the District of Columbia, when were present:

NEAL E. KRAVITZ, Esq.
Majority Deputy Special Counsel
GLENN F. IVEY, Esq.
Majority Counsel
JOSEPH G. BRAUNREUTHER, Esq.
Minority Deputy Special Counsel
DOUGLAS R. NAPPI, Esq.
Republican Counsel
Committee on Banking, Housing, and Urban Affairs
U.S. Senate
On behalf of the Committee.

JUSTIN D. SIMON, Esq.
JUDITH L. HAMMERSCHMIDT, Esq.
Dickstein, Shapiro & Morin
2101 L Street, NW
Washington, DC 20037-1526
On behalf of the Deponent.

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by Mr. Braunreuther	61
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PROCEEDINGS

Whereupon,

MARK D. GEARAN

was called as a witness and, having first been duly sworn,
was examined and testified as follows:

EXAMINATION

BY MR. IVEY:

Q Good morning. My name is Glenn Ivey. I'm
counsel for the Senate Banking Committee. I represent the
majority in this matter. We're deposing you this morning.
First of all, I want to thank you for coming voluntarily.
I recognize, and we just discussed this off the record,
that you're not waiving any rights or privileges and I
appreciate, again, you coming down here voluntarily to do
the deposition.

This is a deposition that's being taken, as you
know, pursuant to a Senate resolution that is setting up
for hearings that will probably begin at the end of next
week, on or about the 29th. You may be called as a witness
at those hearings. There's been no determination as to who
will be called at this point, but I just wanted to let you
know there's a possibility that you could be called.

4

We will be asking you a series of questions.
Obviously you're under oath and I'm sure you'll do your
best to give accurate and honest answers. To the extent
that you have any questions or difficulty understanding the
question I pose to you, just let me know. I'll rephrase
the question or try and explain it so that you can give a
good answer. If your answer calls for any type of, or
would include any type of guess work or speculation, just
let us know, but, you know, as you give the answer, what
part is your -- you know, have factual knowledge of and
what part would be speculative just so the record is clear
on that point. You can confer with your counsel at any
time you like. You can take a break at any point you
like. I just ask that you let me know.

And to the extent that if you want to go back to
a previous question and elaborate on an answer that you've
already given, that's fine. Just let me know that you're
jumping back so I can jump back with you.

A All right. Fair enough.

Q Okay. Let's talk briefly about the scope of the
deposition. This, as I said, is pursuant to this
resolution and the aspect of this that's relevant for our

5

1 purposes this morning is part A, communications between
 2 officials of the White House, Department of Treasury, or
 3 the Resolution Trust Corporation. Relating to Whitewater
 4 and Madison matters. If there is an objection based on the
 5 scope, in other words that the question or the answer that
 6 the question would go beyond the scope of that I ask that
 7 you not give your answer until we have a chance to talk
 8 about the objection and work it out. If there's a
 9 different type of objection, say the form of the question,
 10 we'll be able to resolve that with the judge and you'll
 11 still be able to give the answer on the record.

12 A Okay.

13 Q Do you have any questions for me or anything
 14 before we get started?

15 A I don't believe so.

16 Q Would you tell me your name and spell your last
 17 name?

18 A Mark D. Gearan, spelled G-e-a-r-a-n.

19 Q What do you do for a living?

20 A My job is the director of communications for the
 21 president.

22 Q How long have you been director of

6

1 communications?

2 A Since June of 1993.

3 Q And before that what were you doing?

4 A Prior to that, I was the deputy chief of staff at
 5 the White House.

6 Q And that would have been for the period of time?

7 A From the inaugural, from January 20th, 1993.

8 Q Until June?

9 A Correct.

10 Q Now, as director of communications, what were
 11 your responsibilities, what did you do?

12 A The communications department has within it the
 13 press office. There's several deputies within the
 14 communications department that I am responsible for, the
 15 press office, department of media affairs which handles
 16 state and local regional media, speech writing. There's a
 17 division for planning, longer-term planning, and then
 18 special projects area that we work on.

19 Q And the planning division does what?

20 A Longer-term scheduling, events into the future.

21 Q Okay. Now, who do you report to as director of
 22 communications?

7

1 A Personally I report to the chief of staff, Leon
2 Panetta.

3 Q And before that it was Mr. McLarty?

4 A Mr. Gergen, who is counsel to the president.

5 Q Did you say "or Mr. Gergen"?

6 A No.

7 Q Okay. So only Mr. Gergen prior to Mr. Panetta?

8 A That's correct.

9 Q Okay. And who reports to you in these separate
10 divisions?

11 A Who are they?

12 Q Yes.

13 A The press office is Dee Dee Myers who is the
14 president's press secretary. Media affairs is Jeff Eller,
15 E-l-l-e-r. Speech writing is Dawn Baer, B-a-e-r. Planning
16 is David Dreyer, D-r-e-y-e-r; and special projects is Rahm
17 Emanuel.

18 MR. SIMON: Why don't you spell Rahm.

19 THE WITNESS: Rahm is R-a-h-m.

20 BY MR. IVEY:

21 Q Has there been changes in these positions during
22 the --

8

1 A During the course of my time the speech writing
2 director has been changed, Dawn Baer.

3 Q Who was there before?

4 A David Kusnet, who still serves as chief speech
5 writer for the president but Dawn is the director of the
6 speech writing department.

7 Q Do you have contacts with the chief of -- I'm
8 sorry, the White House counsel office on occasions?

9 A Yes.

10 Q Under what type of occasions would you have
11 contact with them?

12 A If there are questions of a legal or ethical
13 nature, we would ask the counsel's office for guidance.

14 Q With respect to the communications that are being
15 given by the White House, or what type of ethical
16 situations do you mean?

17 A For instance we worked with the counsel's office
18 on the ethical restrictions on press dinners and whether
19 the White House staff members could be invited to attend as
20 the guest of members of the press corps, what the ethics
21 guidelines would provide for. We worked with the counsel's
22 office on that.

1 Q Would there be ethical considerations beyond that
2 type of thing, you know, contacts that the people on your
3 staff could have with, say, the media that you would have
4 conversations with the counsel's office about?

5 MR. SIMON: I want to try to not intrude in these
6 proceedings one bit, but what I am concerned about is when
7 you are talking about conversations or contacts, other than
8 generically, we are getting beyond the issue of White House
9 contacts with the Treasury Department. And so I understand
10 that this is background, but I'm just trying to make it
11 clear if he answers these questions -- I'm not going to
12 instruct him not to answer the pending question
13 certainly -- but I don't want that to be construed as a
14 waiver of the pertinency objection if we go too far beyond
15 this, because I think it is starting to stray.

16 BY MR. IVEY:

17 Q Let me see if I can clarify my question. I'm not
18 asking for specific examples per se. I'm just talking
19 about --

20 A What kind of things we do?

21 Q Contacts, circumstances.

22 A Yeah, well.

1 MR. SIMON: Thank you.

2 THE WITNESS: Well, the counsel's office is --
3 the White House counsel is the chief ethics officer within
4 the White House. If there were a question anyone would
5 have regarding that they are encouraged to contact the
6 counsel's office. In that regard -- but in terms of
7 working on specific issues, the dinners would be one
8 example of the kinds of things we would do.

9 BY MR. IVEY:

10 Q Okay. Let me ask you about specifically about
11 September 29th, 1993. Were you aware of any meetings that
12 were going on between White House officials and RTC
13 officials?

14 MR. SIMON: Let me try to clarify that. Are you
15 asking him whether at that time he was aware of any
16 contacts?

17 MR. IVEY: Yes.

18 THE WITNESS: On September 29th, no, I was not.

19 BY MR. IVEY:

20 Q At what point did you become aware of those?

21 A I became aware of the September 29th meeting in
22 March.

1 MR. SIMON: Of what year?

2 THE WITNESS: Of 1994.

3 BY MR. IVEY:

4 Q And how did you become aware of that meeting?

5 A After a Washington Post reporter called me at the
6 beginning of March, asking about the October 14th meeting
7 that I attended with Treasury Department staff. At that
8 point in preparing to answer the questions that were posed
9 to me by the reporter about the meeting I attended, I was
10 aware that there was another contact that was also going to
11 be told to the reporter. I do not detail that meeting to
12 the reporter. Another administration staff member did.
13 But at that point I was aware of the September 29th
14 meeting.

15 Q How did you become aware of it?

16 A I'm not sure who exactly told me at the time that
17 there was another meeting that they were going to tell Ann
18 Devroy, The Washington Post reporter, about -- it may have
19 been Joel Klein or George Stephanopoulos or John Podesta,
20 I'm not sure which one. But at that point, it was
21 indicated to me that they were going to make public the
22 September 29th meeting. But to that point I was not aware

1 of it.

2 Q Was there anything that you read, memos, notes or
3 anything, to help you find out more about that meeting?

4 A No, and I didn't answer that part of the press
5 question to the reporter. What I talked to the Post
6 reporter about was the October 14th meeting that I had
7 attended.

8 Q What was your understanding about what took place
9 on September 29th?

10 A My understanding is pretty much what's in The
11 Washington Post story of March 3rd, I believe it is. That
12 there was a meeting with Mr. Nussbaum and Jean Hanson.

13 Q Anything else substance of that meeting at all?

14 A I mean, it is -- literally it is based on what
15 was in the Post article, because after the Post article was
16 published, the next day the subpoenas were issued and
17 obviously since then I have not, at the request of counsel
18 and from my own prudent judgment, not discussed it with
19 other White House officials.

20 Q At the time you found out about the meeting, were
21 there any questions about the propriety of it that were
22 raised?

1 A Which meeting?

2 Q The September 29th meeting.

3 A No, not that I was aware of. But again, I was
4 not briefed on the meeting. I was just made aware that
5 there was another contact that was going to be revealed to
6 the Post so that it would all be dealt with in this
7 article.

8 Q And did you know what the nature of the contact
9 was?

10 A I knew that it was Nussbaum and Hanson.

11 Q But nothing about what they talked about at all?

12 A Not in any detail. I'm not sure what you mean.

13 Q To what level did you know what they talked about
14 or did you hear what they had talked about?

15 A My understanding was just very cursory. I guess
16 that they had discussed -- what I'm trying to dissect is
17 what I knew, how much I knew before the article and just
18 what I knew in the article. What I was working on --

19 MR. SIMON: You are referring to the fact that
20 The Washington Post -- you heard about it before The
21 Washington Post article and you can't recall what you know
22 about that meeting.

1 THE WITNESS: Before the article was published.

2 MR. SIMON: I think the article does discuss what
3 occurred at the meeting.

4 THE WITNESS: Yeah. I don't think I knew
5 anything beyond the Post article which talks about the --
6 see, what the nature of my -- the nature of my job is to
7 get information to provide to reporters. I was working on
8 the October 14th meeting and other matters. I don't --
9 because I didn't deal with that part of the story, the
10 September 29th meeting. I am not sure I knew much about it
11 in advance of the article, beyond the fact that there was
12 another meeting and they were going to have that presented
13 or told to the reporter so that it would all be in the same
14 article.

15 BY MR. IVEY:

16 Q Okay. Along with your meeting on October 14th?

17 A I was called by Ann Devroy about that meeting.

18 Q The October 14th meeting?

19 A The one that I had attended, the meeting.

20 Q The October 14th meeting?

21 A Yes.

22 Q So at the time either, I guess, Klein or

15

1 Stephanopoulos or someone like that came up and mentioned
2 to you that there was a September 29th meeting between
3 Hanson and Nussbaum. I mean, did you wonder about any more
4 detail about the meeting, I mean?

5 A I don't recall giving it a great deal of thought
6 other than it was just an additional contact.

7 Q It didn't strike you as significant at the time?

8 A Not overly, no. I mean, I knew we were getting
9 into a story on this.

10 Q Did you have a couple of phone calls between you
11 and Jack DeVore, September 30th and October 3rd of 1993?
12 Do you recall those phone calls?

13 A I guess those would have been from the phone logs
14 that we provided to you.

15 Q Right.

16 A Those are logs of calls that were received in my
17 office. Those don't indicate calls I actually made. Those
18 are messages taken by my assistant. I don't recall
19 returning those calls or what I might have discussed with
20 Jack DeVore.

21 Q Were you working on anything with him at the
22 time?

16

1 A Oh, well, we worked with the Cabinet press
2 secretaries with some regularity at that time, into the
3 fall, on NAFTA which was a very big issue.

4 Q I'm sorry. NAFTA?

5 A NAFTA. Secretary Bentsen was very involved with
6 the effort obviously. I can't recall those phone calls
7 specifically.

8 Q Did you ever take notes about phone conversations
9 that you had with senior officials?

10 A I do at times. I've provided relevant ones to
11 you all of any relevance, but in every phone call it's not
12 always that I do that, no. I'm not that disciplined.

13 MR. SIMON: It might be helpful if you would give
14 them some indication of the volume of calls that you have.

15 MS. HAMMERSCHMIDT: Just an idea.

16 THE WITNESS: At the time of the grand jury in
17 March, I'd been asked to go through my phone logs from
18 October 14th, this meeting, and my appearance before the
19 grand jury -- and, again, these are calls that were
20 received, these are not calls that I actually took. If I
21 was there to take them, they would not be recorded -- and
22 at that point there were 8000 between October 14th and the

17

1 March testimony that were logged on my call sheets to
2 return.

3 MR. SIMON: Of the same type that you've
4 produced, that you believe have been produced to this
5 Committee.

6 THE WITNESS: So recalling that specific call at
7 that time is difficult.

8 BY MR. IVEY:

9 Q Let's talk about the October 14th meeting. Do
10 you know who set that meeting up?

11 A I don't recall who set that meeting up.

12 Q Who was present at the meeting?

13 A Well, I can recall that day, coming back from
14 remarks I gave at a hotel in Washington, coming back later
15 to my office and my assistant coming into me a couple
16 times, reminding me to go upstairs to Mr. Nussbaum's
17 office. First I can recall of this meeting was when it was
18 on my schedule that morning, listing to be in his office at
19 3:30 or whatever the time was indicated on my schedule.

20 I can recall him, I know that he reminded me to
21 go upstairs that he was being called by Mr. Nussbaum's
22 office that I should get upstairs. And asking him what the

18

1 meeting was about. And he indicated that he wasn't sure
2 what it was about.

3 Q This is Mr. Nussbaum?

4 A No, this is Mr. Steve Cohen, my assistant.

5 Q Steve Cohen said he wasn't sure.

6 A And he put it on my schedule.

7 Q So he's the assistant you referred to earlier
8 when you said he was the one that reminded you to go up?

9 A Yes, correct. So going up to his -- going up to
10 the office, I arrived at the meeting late, and from what I
11 can recall, I was there from 10 to 15 minutes at the
12 meeting and left at the end of the meeting, but feeling at
13 that point in the day, the pressure to get back to my
14 office, that late afternoon is the time when reporters are
15 under deadline. And I felt the pressure to get back,
16 having had a hundred messages, telephone messages that day.

17 MR. SIMON: I think the pending question is who
18 was present.

19 THE WITNESS: Oh. I probably didn't answer that
20 yet; right?

21 BY MR. IVEY:

22 Q No.

1 A Isn't that interesting?

2 Q I knew you were coming to it, though.

3 A I grew up in a log cabin --

4 Q I had that yesterday.

5 MR. SIMON: That you helped your father build.

6 THE WITNESS: What do you want to know? Who was
7 at the meeting? Bernie Nussbaum, Bruce Lindsey, Neil
8 Eggleston, Cliff Sloan, Josh Steiner, and Jack DeVore.

9 BY MR. IVEY:

10 Q Okay. And what did you discuss, what was
11 discussed?

12 A What was discussed was reporters -- inquiries
13 from two reporters that the Treasury Department had
14 received.

15 Q And what was discussed about the inquiries?

16 A Well, I had notes, that I'm sure you have from
17 the meeting, that list the different reporters and what
18 their specific information was that they related to the
19 Treasury Department staff, and then what the questions were
20 that they had asked to the Treasury Department.

21 Q I'm going to see what we have here from that.

22 This is, for the record, X1055. I don't know if you guys

1 are marking them or just doing them by Bates numbers.

2 Okay. You recognize what that is?

3 A Uh-huh. This is my schedule for Thursday the
4 14th of October. And this lists the meeting that I've just
5 discussed at 3:30.

6 MR. IVEY: I don't know if I have your notes
7 actually.

8 MR. SIMON: Go off the record.

9 (Discussion off the record.)

10 BY MR. IVEY:

11 Q Let me hand you this. Bates numbers are X1047
12 and 1048.

13 A Do you want me to go through this?

14 MS. HAMMERSCHMIDT: If you want to refer to that
15 one we have the same one that was produced.

16 THE WITNESS: These are notes from that meeting.
17 My practice would be to date, sometimes place and give
18 participants for a meeting, but obviously I came into this
19 meeting late. So I think it starts midway into an ongoing
20 meeting that was set up. Sue Schmidt and Jeff Gerth are
21 Washington Post and New York Times reporters respectively
22 and this was information that was from them. "Sue

1 Schmidt:" And then this is the information that Sue
2 Schmidt is giving to the Treasury Department. And then the
3 question and "specifically" under Mr. Gerth. The arrow
4 down at the bottom of 1047 wants to know who endorsed
5 checks. Obviously that's Gerth. Gerth is relaying this
6 information.

7 The way I take notes from reporters is frequently
8 they'll give us the information or questions and then
9 list. On to page 1048, it's continuing from Gerth and then
10 the two bars midway through the page, again Gerth wants to
11 know who endorsed the checks. So that would be the
12 question from the reporter to the Treasury Department.

13 BY MR. IVEY:

14 Q Okay. So up here at the top, it says "checks,"
15 that's "deposited to" --

16 A Do you want me to read through this? "Checks
17 deposited to Cherry Valley Bank. CEO is Maurice Smith who
18 owns bank and was BC COS," which is Bill Clinton chief of
19 staff.

20 Q "U.S. attorney"?

21 A "U.S. attorney looking into McDougal. This was a
22 criminal referral. Involves 1986 \$3000 loan from SBIC in

1 Little Rock run by judge under indictment. Current
2 governor of Arkansas may be indicted. Somehow Web Hubbell
3 named. Gerth wants to know who endorsed checks."

4 Q At the top of 1047 you mention it says "Jean
5 Lewis"?

6 A Right. "Jean Lewis. Chief investor RTC nine
7 criminal referrals sent from regions to D.C. three weeks
8 ago. Last Friday referred to U.S. attorney in Little
9 Rock."

10 Q Okay. And this is information you got from who?

11 A Again, I think I went into the meeting late as
12 I've said. Under "Sue Schmidt," there is more
13 information. It says "Sue Schmidt went to see Jean Lewis
14 about investigation." All of the information that I recall
15 from this meeting, or the portion of the meeting I was at
16 anyway, is information that was received from reporters and
17 recounted at this meeting. I would read my notes that this
18 was information from Sue Schmidt that she received from
19 Jean Lewis, but that's how I would read my notes.

20 Q Okay. And who was relaying what Gerth and
21 Schmidt had said?

22 A I believe it was Jack DeVore.

23

1 Q And what was the conversation about these press
2 inquiries, what was discussed about them?

3 A Well, this information was discussed -- the only
4 other topic that I can remember being talked about in
5 addition to this briefly was this Early Bird warning system
6 that the department had in public affairs, that it was a
7 system where reporters' inquiries were called into a
8 central person who produced the so-called Early Bird
9 warning document that was circulated around. It was
10 designed for the purposes of preventing leaks, which I
11 found interesting.

12 Q All right. Now, what did Mr. Nussbaum talk about
13 at this meeting?

14 A I recall Nussbaum, Lindsey and DeVore as
15 principal conversants here. I don't remember specifically
16 what Mr. Nussbaum would have said.

17 Q Well, was there any concern about these press
18 inquiries?

19 A I don't recall concern.

20 Q What do you recall?

21 A What I recall is pretty much what's right here.

22 Q Only that there were press inquiries. You don't

24

1 recall anybody in the room having any type of reaction to
2 these inquiries at all?

3 A No. Again, for the part of the meeting that I
4 was at these are the notes that I took because these were
5 questions to Treasury and about an RTC matter. This was
6 one of the first contacts, I thought, references that I can
7 recall for Whitewater. This was not on my radar screen,
8 Whitewater at this point in time. So I don't recall this
9 meeting vividly beyond these notes and the Early Bird
10 system.

11 Q Do you recall how the meeting ended, were there
12 designations of who would do things or?

13 A Well, I can tell you, based on the way I take
14 notes, that if I was tasked to do something it would be
15 indicated to do. I have, you know that I can -- I know I
16 left this meeting without an assignment. And as I've said
17 before, I know I left this meeting feeling the pressure at
18 that point in the day to get back to return reporters
19 questions but beyond this, because I wasn't tasked to do
20 anything, this was a question to Treasury. My notes at the
21 end of the handwriting is frankly typical of my handwriting
22 if I'm sort of falling out of the meeting, so.

1 Q What is that last?

2 A That's me falling asleep.

3 Q I see you've gone to medical school it looks
4 like.

5 A Should have had a cup of coffee.

6 Q "Jeff," what's the name there?

7 A I believe it says "Jeff Garrish, Little Rock
8 attorney who is in RTC practice now."

9 MR. SIMON: Dot, dot, dot.

10 BY MR. IVEY:

11 Q Did the substance of this sink in for you at all,
12 did you recognize that there might be some problems here?

13 A Not in a profound way, no. I was asked to go to
14 a meeting that I attended a portion of. There were
15 questions directed to Treasury about an RTC matter that,
16 while the president -- it notes that the president is not a
17 target regarding an investment at that point in time
18 because this was not on my radar screen and I wasn't tasked
19 to do anything. This did not seem -- I don't have more
20 vivid recollections of it than that.

21 Q Did the fact that the president wasn't a target
22 lead you to wonder why Bernard Nussbaum was at the meeting?

1 A As I recall, and this meeting was in
2 Mr. Nussbaum's office, on matters of press inquiries, but I
3 understood that he had convened the meeting.

4 Q Yeah, but as White House counsel he represents
5 the president; right?

6 A Yes.

7 Q Okay. And your understanding from what you heard
8 at the meeting was that the president was not a target?

9 A Yeah, but this was information -- again, all of
10 this information, what I recall is that all of this
11 information was from reporters. I never was briefed on the
12 substance of the RTC referrals. To this day, I do not know
13 the subject matter of the RTC referrals. This was all
14 information from reporters relayed to the Treasury
15 Department.

16 Q I understand. But did you wonder why Nussbaum
17 was involved in this at this point?

18 A I, you know, assume because it was a legal
19 related matter, but I have no idea why he was involved.

20 Q Okay. Did you wonder why you had been called
21 into this meeting at all?

22 A Then or now?

1 Q Let's do both. Let's do both. At that point.

2 A I have -- at that time I was called to a meeting
3 to discuss these press inquiries. That's not atypical
4 certainly at the White House.

5 Q But is there anything in these press inquiries
6 that, at that point, in your knowledge, was linked to the
7 White House?

8 A No.

9 Q Okay.

10 A Well, I mean, other than the reference, Gerth's
11 reference to the White House or to Governor Clinton. I'm
12 not sure what you mean.

13 Q To the White House.

14 A No. "BC" here is obviously Bill Clinton.

15 Q Right. Criminal --

16 A "Is not a target of investigation."

17 Q Well, I'm up at the -- what is this, "cashier's
18 checks"?

19 A Yeah, it says "Jeff Gerth," which is the New York
20 Times reporter. "Cashier's checks." Again, this was all
21 information from Gerth. In criminal referrals checks,
22 April 4 or 5, 198 -- I believe it's 5 although it's cut off

1 in your copy. "To payable to BC," which would be Bill
2 Clinton. "To payable to BC campaign. B. Clinton
3 campaign. Each \$3000. BC," Bill Clinton, "is not a target
4 of investigation according to Gerth. Wants to know who
5 endorsed checks," meaning Gerth.

6 Q Okay. So your view of this meeting was that this
7 was no big deal and you could go on to whatever --

8 A My view of this meeting was it was all
9 information from reporters to the Treasury Department about
10 press inquiries that I was there for 10 to 15 minutes of.
11 This was not coming into the White House. These were not
12 questions posed to me. I was not tasked to do anything
13 from this meeting.

14 Q Do you recall if there was going to be any
15 attempt to find out if any of this information was correct
16 or not?

17 A I don't recall that.

18 Q In dealing with press inquiries, would you
19 typically try to figure out the accuracy of the inquiries
20 so that you could respond to subsequent questions?

21 A Would I?

22 Q Yeah.

1 A If I were tasked to do it, but I was not in this
2 instance.

3 Q Now you said earlier that you worked with DeVore
4 or you communicated with DeVore a good deal. You have to?

5 A With some regularity. Particularly in and around
6 events. For instance, when the president and Secretary
7 Bentsen went to Tokyo for the G-7 meeting in June, we would
8 work with Treasury during that period. Or on the budget
9 reconciliation or on NAFTA, these were the types of issues
10 that we would work together. Or if Secretary Bentsen was
11 going to be on a Sunday show, I was working with Mr. DeVore
12 on that. That would be the nature of my work with
13 Mr. DeVore.

14 Q For this type of situation, would you have worked
15 with him at all? Would there have been any communications
16 between the two of you about this type of press inquiry?

17 A I don't believe I had any further contact with
18 Mr. DeVore on this.

19 Q Even after the meeting you never spoke with him
20 about this again?

21 A I don't recall that.

22 (Discussion off the record.)

1 (Recess.)

2 BY MR. IVEY:

3 Q I was going to ask you about the memo from Bruce
4 Lindsey that -- oh, before we go to that, I'm sorry. Do
5 you recall if Jean Hanson was at that meeting?

6 A No, no.

7 Q You don't recall or she wasn't there?

8 A I don't recall she was there. In March when we
9 were preparing -- when The Washington Post reporter had
10 called about the meeting, I talked to Joel Klein about this
11 meeting in order to answer the reporter's questions and he
12 asked me who was there and I told him and he said that --

13 MR. SIMON: Keep your voice up.

14 THE WITNESS: He said that Jean Hanson was there,
15 and I said who is he; and he said Jean Hanson is a woman.
16 And so I don't recall.

17 BY MR. IVEY:

18 Q Let me give you this document X534, X535.

19 MR. IVEY: Do you have a copy of this one, too?

20 MS. HAMMERSCHMIDT: We do have a copy of this
21 one. We have the copy that Mark produced which you also
22 have, but it's the exact same one.

1 BY MR. IVEY:

2 Q All right. Do you recall getting this memo?

3 A No. But I know that it was in my files that I
4 produced.

5 Q Okay. Would that mean that you had put it there?

6 A It means that I have it marked "file
7 Whitewater." I'm not sure what copy you have.

8 MR. SIMON: I think the record should reflect on
9 the copy of Mr. Gearan's document, which is X001049 which
10 we also believe was produced, there is a handwritten note
11 that says "file: Whitewater" and Mr. Gearan, I think, has
12 just indicated on the record that that is his handwriting
13 as it appeared on this document which was located in his
14 file. I mean the communications office file.

15 BY MR. IVEY:

16 Q All right. So I'm sorry. That notation would
17 mean what?

18 A That notation in my handwriting would mean for my
19 assistant to file it in the Whitewater file.

20 Q Okay. So I guess you did see it at some point?

21 A Yeah, my only answer to the question was I don't
22 recall it, but it was in my file that I produced for the

1 committee.

2 Q Okay. Do you know if you read the memo?

3 A At the time?

4 Q Yes.

5 A I don't recall reading it at the time. I read it
6 in connection with answering The Washington Post reporter's
7 inquiries of March, but I don't recall reading it in
8 October.

9 Q Is it accurate?

10 A Well, I have no reason to doubt its accuracy, but
11 for the portion of the meeting that I attended, my notes
12 reflect that as I recall from my meeting. This memo goes
13 beyond the portion of the meeting that I was at, I assume,
14 because there are things here that are not in my notes, but
15 my notes, I think, are reflected for the most part at
16 Mr. Lindsey's memo.

17 Q Do you know if there was any conversation about
18 this meeting after it took place that you were involved in?

19 A Not that I'm aware of.

20 Q When was the next time that you heard the phrase
21 "Whitewater" after that 14th meeting?

22 MR. SIMON: In the context of Treasury.

1 BY MR. IVEY:

2 Q Okay. In the context of Treasury.

3 A In the context of Treasury, you know, I never
4 dealt with the Treasury again, I believe, on Whitewater. I
5 never had another meeting that I attended on Whitewater.
6 During the course of the fall, there were more Whitewater
7 articles that appeared. In terms of Treasury, I guess when
8 it was reported about the referrals, but I had no further
9 meetings about it with Treasury.

10 Q At what point -- I mean, at what point did it
11 become a serious matter in your mind?

12 A I would have to say into November, I believe the
13 first article was published, October 31st, about
14 Whitewater. Previous to that it had been March of '92
15 during the campaign that I'm aware of. So to answer your
16 question, I guess it would be from that point on.

17 Q Did you ever set up a meeting at about this
18 time -- I'm talking mid-October -- with Nussbaum,
19 Eggleston, Sloan, Hanson, Steiner and DeVore?

20 A You mean the October 14th meeting?

21 Q No, a different one.

22 A No, I don't believe so.

1 Q You didn't set up the October 14th meeting?

2 A I do not recall setting up the meeting. Usually
3 when I would set up a meeting, it would be in my office and
4 this was not. I would know the subject matter of the
5 meeting, certainly know the participants, and this meeting
6 was in progress when I arrived. Usually the meetings I
7 would have set up, I think we'd wait until I was there to
8 start the meeting.

9 Q Do you know, did you ever learn anything about a
10 meeting between Jean Hanson and Bernard Nussbaum on
11 October 29th?

12 A On October 29th or September 29th?

13 Q October.

14 A No.

15 Q Did you ever talk with Bernard Nussbaum in the
16 late October period about the October 14th meeting or
17 anything that had been discussed there?

18 A I don't recall that, no.

19 Q Do you recall speaking with Josh Steiner in early
20 February?

21 A Is that from the phone log?

22 Q I believe so.

1 A Probably. Again, those are logs that I produced
2 at the request of the subpoena. Those are calls that I
3 received, not necessarily placed, although it would be my
4 practice to return a call from Mr. Steiner, but I don't
5 recall that specific -- that specific phone call.

6 Q Okay. Do you remember Mr. Altman's testimony in
7 February 24th before the Senate Banking Committee?

8 A I have recollection of reports of it. I mean
9 press reports on it, yeah.

10 Q Did you become involved in the fallout, I guess,
11 that came after that Senate testimony?

12 MR. SIMON: Could you be a little bit more
13 precise on "fallout." It might -- it could be construed
14 that Mr. DeVore's phone call to him, I think, at the
15 beginning --

16 MS. HAMMERSCHMIDT: Ms. Devroy.

17 MR. SIMON: Excuse me, Ms. Devroy's phone call
18 from The Washington Post may be considered part of the
19 fallout. So it's not clear what you are talking about.
20 Are you talking about press fallout, are you talking about
21 interior White House fallout? I'm not sure.

22 BY MR. IVEY:

1 Q Let's talk about interior.

2 A Within the White House?

3 Q Yes.

4 A No, no, I was not aware of his testimony before
5 he delivered it and afterwards I was not involved in any
6 internal meeting regarding his testimony.

7 Q Were there any contacts between you and RTC,
8 either Mr. Altman or one of his assistants, about that
9 testimony at all?

10 A No, I don't believe I know anyone at the RTC.

11 Q What about at the Department of Treasury?

12 A No -- regarding his testimony?

13 Q Right.

14 A No.

15 Q Did you receive a fax of Mr. Altman's letter to
16 Chairman Riegle? I guess I'll show you X872 and X873.

17 A I don't recall receiving this, but -- and this
18 was not in my file.

19 Q Okay. Your name is on the fax.

20 A Yes, I note that, yes.

21 Q Do you know why he would have faxed it to you?

22 A Well, I think he -- no, I don't know why he faxed

1 it to me. I mean, judging from the distribution list,
 2 people who were dealing in public affairs, Dee Dee Myers,
 3 myself, David Gergen, George, Harold as the deputy chief of
 4 staff, Mack McLarty, I don't recall receiving this.

5 Q Was your office answering questions about this
 6 meeting in press conferences at this point?

7 A Yeah, I note the fax was sent 3/4 -- March 4th,
 8 1994 at 16:56, which is 4:56, which is after the time I was
 9 aware of the subpoena. So as I've said before, I've not,
 10 once the subpoena was issued to me, I did not involve
 11 myself in any of these matters, thinking that was the most
 12 prudent course of action. I did not answer press questions
 13 regarding it nor did I ask any of my colleagues about any
 14 matters relating to it at that point.

15 Q Now, Dee Dee Myers is, I guess, one of your
 16 subordinates; is that correct?

17 A Yeah, she's the president's press secretary and
 18 she handled the day-to-day questions and briefings and
 19 particularly regarding this.

20 Q Yes, there were a lot of inquiries, I guess,
 21 right after his testimony at the hearing on February 24th.
 22 Did she ever talk to you about what the White House was

1 going to say about those comments?

2 A I don't recall specific conversation about it.
 3 You mean about this?

4 Q Yeah, about Mr. Altman's testimony before the
 5 Banking Committee.

6 A Which is a little bit different than this letter.

7 Q That's an addendum, I guess, to his testimony.

8 A This letter -- I think at this point in time I
 9 was not, and people understood that I was not, going to be
 10 in a position to be talking about these matters after the
 11 subpoena. Prior to that, I don't remember any specific
 12 conversation about it.

13 Q Do you agree that it was a pretty big story at
 14 the time?

15 A Yeah. I mean, it was an interesting story to
 16 people, I think.

17 Q And potentially damaging in some ways to the
 18 White House?

19 A You know --

20 Q Were you concerned about it at all?

21 A I think I had some concerns about it, yeah.

22 Q In what sense, what were you concerned about?

1 A Well, I think the White House, any appearance of
2 any impropriety is something the White House needs to be
3 very careful about and cautious about.

4 Q And did you feel that this created a sense of an
5 appearance of impropriety?

6 A Well, I wasn't aware of the specifics of the
7 meeting that Mr. Altman had, but to the extent that in the
8 public venue that there would be questions that is of
9 concern.

10 Q But you didn't act on that concern at all?

11 A No, I don't recall any specific action that I
12 took as a result of it.

13 Q Did you feel that this was something that
14 would -- I mean from a press and communications
15 standpoint -- that would work itself out or that it wasn't
16 a concern of yours?

17 MR. SIMON: At what point in time are we talking
18 here? This is somewhat confusing.

19 BY MR. IVEY:

20 Q Good point. I've been talking about right after
21 Mr. Altman's testimony. You've already said that he got
22 the subpoena on the 4th. I guess it was, and so we're

1 talking about 10 days or something.

2 A Right.

3 Q You know what I'm talking about, that 10-day
4 period when this was like a front page story?

5 A Well, I can recall that every day we endeavored
6 to try to answer any inquiries as accurately as we can. Is
7 the question how we were endeavoring to control this?

8 Q No, I'm just asking you haven't told me anything
9 that you've done with respect to this at all, and I'm just
10 trying to figure out if you did anything about it or
11 anything related to it.

12 A I don't recall doing anything pertaining to any
13 meeting regarding post-Altman testimony.

14 Q You didn't speak to anybody about this?

15 A I don't recall speaking to anyone, but --

16 MR. SIMON: And what you mean by -- this is the
17 Altman testimony?

18 THE WITNESS: His testimony?

19 BY MR. IVEY:

20 Q Yes.

21 A You know, I don't -- I don't recall a specific
22 meeting about it, but -- I don't recall a specific meeting

1 about it.

2 Q What was occupying your time between
3 February 24th and March 4th? And I mean, what were the top
4 things on your agenda between February 24th and March 4th?

5 A I would have to review my calendar. I can't
6 recall specifically what the other issues were. I spent a
7 fair amount of my time on health care. We were thinking
8 through the where are we going on welfare reform at that
9 point. I don't recall when the assault weapons vote was.
10 I'd have to review my calendar for what other issues were
11 paramount at that point in time.

12 Within the White House, we set up -- not set up,
13 but there was a point person. At that point John Podesta
14 was localized with a lot of the Whitewater questions at
15 that point in time.

16 Q Between February 24th and March 4th?

17 A Well, yes.

18 Q At what point was Podesta designated as the
19 Whitewater point person?

20 A It was the beginning of the year, probably the
21 end of January, in and around that time.

22 Q Did you know that he'd been designated to

1 Whitewater?

2 A Yes.

3 Q How did you find out that he'd been designated?

4 MR. SIMON: I'm going to have to say my concern
5 here obviously is if this has anything to do with any
6 contacts with Treasury resulted in his being appointed
7 then.

8 THE WITNESS: No.

9 MR. SIMON: I don't want to confine your
10 investigation so narrowly or suggest there is anything
11 significant about that. I'm really concerned about how far
12 we would appear to be going down this road and I don't want
13 to treat minority or majority counsel differently on this
14 issue.

15 MR. IVEY: That's fine. I'm not trying to go
16 very far down it. I'm just trying to find out, you know,
17 if he knew anything about this stuff at the time.

18 THE WITNESS: Yeah, no. I mean, how Podesta -- I
19 don't know if the chief of staff told me. I believe I had
20 that discussion with him. But I certainly understood that
21 John was at that point in time the Whitewater point person
22 within the White House.

1 BY MR. IVEY:

2 Q And this would be early January sometime?

3 A Late January.

4 Q Late January. Okay. Did you know what
5 Whitewater was at that point?

6 A Yeah.

7 Q Did you have any concerns about the implications
8 of it for the White House at that point?

9 A I had, you know, concerns on a --

10 MR. SIMON: I'm going to have -- I really do want
11 to stop this. I mean, it may be very interesting what
12 Mr. Gearan was concerned about. I think what we need to
13 talk about, we're here to provide facts concerning
14 Mr. Gearan's contacts with Treasury Department and we're
15 more than willing to get into it. But the idea of saying
16 his being able to reconstruct how he felt at any given
17 time, I don't think illuminates the facts at all. And I
18 must confess that I don't really see it being very
19 pertinent to the --

20 MR. IVEY: Let me confess --

21 MR. SIMON: -- to the resolution.

22 MR. IVEY: -- that he doesn't seem to remember

1 anything here, and I'm just trying to find out if that's
2 because it was not on the screen for him and if that's the
3 case, when it came onto the screen.

4 MR. SIMON: I think he's actually remembered
5 quite a bit more. I think what he said is -- and, again, I
6 don't want to -- I'm not trying to intrude myself on these
7 proceedings, but I think he said that he recalls from his
8 notes as to the meeting on October 14th which he believes
9 is the first contact he had with the Whitewater issue in
10 joining the White House. And that he had no -- he believes
11 that he does not have any other contacts with Treasury
12 officials concerning the Whitewater investigation after
13 that time, and that it may be that there is nothing for him
14 to remember apropos the subjects that are pertinent to this
15 inquiry.

16 MR. IVEY: That could well be, but I'd like to
17 try and find out if that's the case.

18 MR. SIMON: No, I understand that. I'm more than
19 willing to the questions that focus on what he knows and
20 who he talked with. I'm just concerned that trying to get
21 to that from his feelings is not -- feelings at any
22 particular point in time, it's very difficult to do that

1 because obviously your feelings may change with time.

2 MR. IVEY: To be honest, it was a yes or no
3 question and I just don't see how that really pulls us down
4 any road that's certainly outside of the scope in any
5 particular way.

6 THE WITNESS: So what's the question?

7 MR. IVEY: Could you read it back.

8 (The reporter read the record as requested.)

9 THE WITNESS: The implications of Mr. Altman's
10 testimony.

11 BY MR. IVEY:

12 Q No, this was you talked about Podesta being
13 designated the point person for Whitewater.

14 A I understood Whitewater, in the period of
15 February of 1994, to be not a substantive issue but a
16 political challenge for the Whitewater White House.

17 Q Did you stay in touch with Podesta about the
18 inquiries he was fielding?

19 A Irregularly, yes.

20 Q Irregularly?

21 A Yeah. It was not --

22 Q Maybe once a week, twice a week?

1 A Yeah. The way we have organized the White House
2 in this regard and in others is to have a person as a
3 principal point of contact who's most knowledgeable about
4 the issues, whether it's health care or other substantive
5 issues within the White House, so that the press can get as
6 accurate and comprehensive information as they can.

7 Q Who would he have been reporting to after he
8 became the White House point person?

9 A Lloyd Cutler or the chief of staff.

10 MR. SIMON: At the time he was appointed.

11 THE WITNESS: At the time he was appointed.

12 MS. HAMMERSCHMIDT: Excuse me. Clarify. When he
13 was appointed the point person for this matter or when he
14 came to the White House?

15 MR. IVEY: Right. I think that's what he said at
16 the time he was the point person.

17 THE WITNESS: Podesta in February. I suspect at
18 that time it would have been Mr. McLarty.

19 BY MR. IVEY:

20 Q But you're not sure. It wasn't you?

21 A It was not me, yeah, correct.

22 Q Do you recall times that you spoke with him about

1 this at all?

2 A To John?

3 Q Yes.

4 A About?

5 Q Whitewater inquiries.

6 MR. SIMON: I'm going to object on the basis of
7 the limitation of that question only to speaking to
8 Mr. Podesta concerning Treasury contacts involving
9 Whitewater, which is what the resolution seeks to deal with
10 and not any other questions concerning any conversations
11 with Mr. Podesta concerning the general topic of
12 Whitewater. I will instruct you to limit your response to
13 that.

14 THE WITNESS: I don't recall talking to John
15 Podesta about the Treasury contacts until March, after the
16 Washington Post reporter.

17 BY MR. IVEY:

18 Q Did you speak with him about the RTC at all?

19 A About the Altman testimony?

20 Q Right.

21 A I don't recall a specific conversation about
22 that.

1 Q Did you speak with him about any other contacts
2 that White House personnel had had with Treasury or RTC
3 personnel?

4 A Not until, I believe, the Post inquiry.

5 Q Which would have been March 3rd?

6 A Yeah, the story ran the 3rd so I believe the
7 inquiry was the 1st.

8 Q What did you talk about then?

9 A That Ann Devroy had called me about the October
10 14th meeting and wanted to know about that, what the nature
11 of it was. To answer her question, I was provided the
12 Lindsey memo again.

13 Q So the details of what was underlying the
14 inquiry, were they discussed?

15 A No. You mean the RTC inquiry or the reporter's
16 inquiry?

17 Q The reporter's inquiry.

18 A No.

19 (Recess.)

20 BY MR. IVEY:

21 Q Let me hand you this memo here. It's X879, I
22 don't know the last page.

1 (Witness reviewed the document.)

2 A Okay.

3 MR. IVEY: You have one of those too.

4 MS. HAMMERSCHMIDT: We do have one of those.

5 MR. SIMON: Yes.

6 MS. HAMMERSCHMIDT: But --

7 THE WITNESS: Let me tell you how I found out
8 about this.

9 BY MR. IVEY:

10 Q Before you go on, let me just finish saying what
11 the page numbers are. X879 through X888. And if you've
12 got a copy, fine; if not you can look from this one.

13 A This document I was first made aware of last
14 Sunday with the House committee. That's the first time I
15 saw this. My counsel probably had been aware of it. I had
16 not, until that point when it was shown to me last Sunday
17 here. And I've not discussed this, obviously, in the
18 intervening week with Dee Dee Myers. But I know this to be
19 her handwriting.

20 MR. SIMON: On page 884.

21 THE WITNESS: On page 884.

22 BY MR. IVEY:

1 Q Through?

2 A Through 8 -- well, personal handwriting through
3 887. And an "RTC tick tock" is a -- "tick tock" is a term
4 of art used in press to get as much detail -- I guess a
5 derivation from the clock, tick tock -- every possible
6 detail you can for the purposes of answering press
7 inquiries. The last page, 888, are possible questions that
8 are prepared usually by the deputy press secretary for
9 questions to anticipate that day.

10 What I believe this to be is Dee Dee's
11 conversations with Bernie in the counsel's office about
12 what happened associated with the meetings. But I did not
13 review this with her. But it was an internal document, I
14 suspect that she produced and prepared for her briefings or
15 her need to answer reporters' questions.

16 Q Did she discuss these subjects with you at all?

17 A We talked on the day before the article was
18 published about that, that Ann Devroy was working on the
19 story. The next day was -- the story was published that
20 morning. We met that morning to discuss what we were going
21 to be saying that day about it. But I did not review this
22 with her.

1 MR. SIMON: "This" being the document?

2 THE WITNESS: This being the document 879 through
3 888.

4 BY MR. IVEY:

5 Q Okay. What did you discuss in the meeting that
6 morning?

7 A On the 3rd. The meeting on the 3rd was after our
8 senior staff meeting and Dee Dee Myers and Bruce Lindsey
9 and Bernie Nussbaum and I met as a brief pull-aside after
10 the senior staff meeting in the Roosevelt Room to discuss
11 how we were going to handle reporters questions that day.
12 When we go back to our office, Dee Dee and I -- each
13 morning there are 25 or so reporters there, anticipating
14 the president's schedule, the news of the day from the
15 White House and some preliminary questions.

16 At that meeting we agreed that we would say that,
17 in hindsight, the White House believes that we wish these
18 meetings had not occurred. "These meetings" being the
19 meetings that were referenced in that morning's Washington
20 Post article by Ann Devroy.

21 Q And the meetings, just for my recollection, I
22 believe they were October 14th, September 29th?

1 A Right.

2 Q Was there a third one that was discussed in that?

3 A Well, it would have -- it was in the article, now
4 I guess it was, referenced Altman's testimony from the
5 24th.

6 Q So the heads-up meeting with Altman?

7 A Yes, it was all that part.

8 Q Okay. Was anything discussed about those
9 meetings, I mean whether there actually had been
10 contacts -- I guess what I'm trying to figure out, did you
11 talk about whether the press appearances were accurate or
12 not?

13 A Well, at that point no one was disputing that the
14 meetings actually occurred.

15 Q Right.

16 A I think the question we were dealing with, and I
17 was posing that morning, is what we needed to say in
18 response to that. And it was my view that the White House
19 should say that, in hindsight, these meetings shouldn't
20 have occurred because we should do everything we can as
21 White House staff to avoid even the appearance of any
22 impropriety.

1 Q But was there also -- I don't recall the press
2 conference, but was there also "but we didn't do anything
3 wrong at these meetings," was that also discussed?

4 A Yes, I mean that's certainly what I feel and
5 that's what I said to the press that morning.

6 Q Was that the view about the other two meetings as
7 well, the ones that you weren't at?

8 A Yes. You mean at the Roosevelt Room meeting what
9 was discussed.

10 Q Well, I mean at the September 29th meeting and
11 then the Altman meeting.

12 A Yes.

13 Q Okay.

14 A I mean, I couldn't speak for those because I
15 wasn't there. I can only speak to the meeting I attended,
16 but it was more of a -- it was solely a communications
17 conversation we had that morning and not a legal
18 conversation.

19 Q Right. That was between you and Dee Dee Myers?

20 A Dee Dee, Lindsey and Nussbaum.

21 Q Oh, they were all at this subsequent meeting?

22 A Right.

1 MR. SIMON: In the Roosevelt Room on the 3rd of
2 March just so we're clear.

3 BY MR. IVEY:

4 Q Okay. At the senior staff meeting that took
5 place?

6 MS. HAMMERSCHMIDT: On the 4th of March.

7 MR. SIMON: 3rd of March.

8 BY MR. IVEY:

9 Q I thought we were talking about the 4th of
10 March. Mr. Gearan, why don't you clarify what day was this
11 meeting.

12 A The meeting was the day the Post article ran.

13 Q So the senior --

14 MR. BRAUNREUTHER: That would be Thursday the
15 3rd, the date before the subpoena was served.

16 THE WITNESS: I know when the subpoena was
17 served.

18 BY MR. IVEY:

19 Q At the senior staff meeting before the meeting
20 you just described, did any of this come up?

21 A No -- I would suspect that I would have said that
22 this was in the paper. I, at that point, would do a

1 morning report of the key stories in the paper that day,
2 but there was no substantive discussion of the article that
3 day that I can recall.

4 Q Let me show you this document X325, I believe
5 it's 328.

6 (Witness reviewed the document.)

7 A This is for the vice president.

8 Q I'm sorry?

9 A This is for the vice president.

10 MR. SIMON: You've never seen this?

11 THE WITNESS: I've never.

12 BY MR. IVEY:

13 Q You've never seen this document before?

14 A No, I've never seen this before.

15 Q Do you know what meeting they're referring to
16 here? The meeting -- I guess your name is one of the names
17 that's mentioned?

18 (Discussion off the record.)

19 (Recess.)

20 (The reporter read the record as requested.)

21 THE WITNESS: I've never seen this document
22 before. My belief is, because of the individuals' names,

1 this was a briefing document prepared for the Vice
2 President because Lorraine Voles is the vice president's
3 press secretary. Jack Quinn is the vice president's chief
4 of staff. David Strauss is the deputy chief of staff to
5 the vice president and then the rest of us. But I don't
6 know, if that's what that is, what this is about. That's
7 my --

8 Q The briefing. I guess I was asking about the
9 meeting though. Was there a meeting that you recall with
10 this group of people?

11 A I don't know if all those people were there.
12 This would have been before the subpoena was issued, that I
13 was made aware of it in any way. It is my practice to
14 brief cabinet members and officials before they go on the
15 Sunday shows. I'm just trying to recall that one for the
16 vice president, but it would be typical for us to meet with
17 senior officials before Sunday show appearances.

18 Q But you don't have any specific recollection?

19 A I'm just trying to think of which Sunday show
20 appearance that this one would have been right beforehand.
21 I do remember when the vice president went on these shows
22 and we met with him beforehand. It was not solely on

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1 Whitewater questions. We would meet to discuss all the
2 topics that would be anticipated, questions --

3 MR. SIMON: The question is, do you have a
4 specific recollection of this meeting on March 4, 1994 with
5 those people?

6 THE WITNESS: Yeah, I have a recollection of a
7 briefing of the vice president.

8 BY MR. IVEY:

9 Q Do you recall which of those people were there?

10 A I don't remember David Strauss being there.

11 Q Do you recall where the meeting was?

12 A This indicates that it's the west wing office.

13 Q Do you recall it being there?

14 A Yeah.

15 Q And I guess back here there are, I guess, Q and A
16 or talking points of some sort?

17 A What I think this is is actual transcripts of
18 what the president has said, apparently his staff provided
19 to him. I have not seen this -- "his" being the vice
20 president's.

21 Q Do you recall discussing any of that with him at
22 all?

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1 A Discussing --

2 Q The --

3 A These Q and As?

4 Q Right. On pages -- what is it, 326 to 328?

5 A I can recall in between this period where the
6 administration was saying and our guidance was, as I said
7 before that, in hindsight we wish these meetings hadn't
8 occurred, and that's what the president was saying here,
9 that's what this transcript is basically saying.

10 MR. SIMON: And here, for the record, is 327.

11 THE WITNESS: I don't recall any other discussion
12 or guidance or to any administrative official beyond that.
13 Anymore specific or any other guidance for answers to
14 reporters questions, but that.

15 BY MR. IVEY:

16 Q In preparation for this deposition or an
17 interview by Mr. Fiske's people, did you talk about the
18 contacts issue with anyone -- well, other than counsel and
19 I mean someone within the White House staff, Department of
20 Treasury or the RTC?

21 MR. SIMON: I think for the record, just so that
22 it's clear, Mr. Gearan was interviewed by the Inspector

1 General of the Treasury, he was interviewed with White
2 House counsel, and that he was interviewed last week by the
3 House of Representatives.

4 THE WITNESS: Since the subpoena, I have not
5 talked to White House officials or Treasury officials about
6 any of these matters.

7 MR. IVEY: Okay.

8 BY MR. IVEY:

9 Q Has anybody talked to you about what you might
10 say or anything?

11 A No. Here, you mean?

12 Q Yes.

13 A For the deposition, no.

14 Q Has there been any pressure on you to testify one
15 way or another today?

16 A No.

17 Q Oh, let me show you this document, X878 for the
18 record, and ask you, do you recognize the handwriting?

19 A I believe that to be Dee Dee Myers's handwriting.

20 Q Okay. Are you familiar with the substance of
21 what she's writing about here?

22 MR. SIMON: Is this -- I note for the record that

1 the upper left-hand corner of this looks as if it's been
2 detached from a staple. It looks as though it may have
3 been the first page of the document that he was already
4 asked about, which begins 879.

5 MS. HAMMERSCHMIDT: The copy that we were
6 provided indicates that that's the first page of the tick
7 tock.

8 THE WITNESS: I've never seen this before, but
9 this seems to be notes associated with the subpoenas,
10 description of the facts of who delivered, served the
11 subpoenas; what the returnable time was and who was
12 subpoenaed. I believe it to be Dee Dee Myers's notes. I'm
13 not sure who she talked to for these notes.

14 BY MR. IVEY:

15 Q Okay. Did you play any role, other than turning
16 over some of your documents, in document production?

17 A Did I play a role?

18 Q Yes, sir.

19 A Other than my own personal documents?

20 Q Right.

21 MR. SIMON: Your communications documents.

22 THE WITNESS: No.

1 MR. IVEY: I don't have any other questions.

2 EXAMINATION

3 BY MR. BRAUNREUTHER:

4 Q Good morning, Mr. Gearan. As you know, my name
5 is Joe Braunreuther and I'm deputy special counsel to the
6 minority members of the Banking Committee and at this time
7 I'm going to ask you some questions on their behalf, on
8 behalf of the Committee at large.

9 Let me see if I can make it clear in my own mind
10 the sequence of events. I believe you indicated that the
11 subpoena, to the best of your recollection, was served on
12 March 4th; is that right?

13 A That's correct.

14 Q Was that the fact which caused you to disengage
15 yourself from this matter?

16 A Yes -- well, disengage from --

17 Q I believe you indicated earlier that upon receipt
18 of the subpoena it was decided that Dee Dee Myers should
19 take the lead?

20 A Correct.

21 Q So up until that point, was there any other
22 affirmative attempt to disengage yourself from this matter?

1 A No, other than the fact that, as I've said, John
2 Podesta was the point person towards the late
3 January-February period of time. And during the fall, when
4 there were more and more inquiries regarding the specifics
5 of Whitewater, Bruce Lindsey answered a fair amount of the
6 press inquiries.

7 Q What responsibilities were shifted to Ms. Myers
8 as of March 4th as you recall it?

9 A Well, Ms. Myers does the daily briefings to the
10 press so in preparation for that she would handle the daily
11 inquiries from the reporters at the briefing. Upon advice
12 of counsel, I did not speak to other administration
13 officials, White House or Treasury about the contacts or
14 the issues associated with the subpoena, to them or to
15 members of the press.

16 Q And that would be as of March 4th?

17 A Correct.

18 Q Prior to March 4th, had there been any
19 affirmative efforts to move these responsibilities to
20 Ms. Myers, to your recollection?

21 A No, but because as the president's press
22 secretary, she does the daily news briefing, the bulk of

1 the daily inquiries fell to her.

2 Q Okay. And up until that time, were you
3 coordinating with her to make sure that she had whatever
4 information she required to answer the appropriate
5 questions or at least had contact with the appropriate
6 individuals who could give her the information to inform
7 her sufficiently to answer press inquiries?

8 MR. SIMON: Here is my problem, Joe. I think
9 that what we're talking about here is the White
10 House-Treasury contacts and to the extent that, as of the
11 4th, there was -- Mr. Gearan has indicated that he was not
12 going to be addressing this issue with the administration
13 officials or with the press after he was subpoenaed. You
14 seem to be speaking more generally because I don't believe
15 Mr. Gearan had indicated there was much in the way of a
16 press inquiry until Ms. DeVore called him on the 3rd, which
17 was the day before.

18 MS. HAMMERSCHMIDT: Devroy.

19 MR. SIMON: Excuse me, Devroy. There are all
20 these press people, it sometimes gets confusing for simple
21 lawyers like me. Ann Devroy called on the 3rd so it's not
22 clear to me how broad your time period is and whether or

1 not you are trying to encompass issues other than White
2 House-Treasury contacts because, as to the other issues,
3 Mr. Gearan is still fully engaged as communications
4 director.

5 MR. BRAUNREUTHER: I'm talking the period up to
6 March 4th. Does that resolve your concern?

7 MR. SIMON: On White House-Treasury contacts
8 issue.

9 BY MR. BRAUNREUTHER:

10 Q As I look at it, what I want to know is, as
11 between you and Ms. Myers, were you involved in these
12 matters up until March 4th to the extent that anybody was
13 involved at that point in answering press inquiries with
14 respect to these matters?

15 A "These matters" being the Treasury inquiries?

16 Q Yeah, and some of the press inquiries which arose
17 giving rise to the article on March 3rd which appeared, I
18 believe --

19 A Well, let me state this and see if this answers
20 your question. From the October 14th meeting, I don't
21 recall any other conversation with Treasury regarding the
22 RTC or Whitewater. Increasingly in the fall Bruce Lindsey

1 answered reporters' specific questions about Whitewater
 2 matters, the investment, the specifics of the Whitewater
 3 issues. This was not a Treasury contact matter, but in
 4 terms of the Whitewater, because he was knowledgeable, it
 5 seemed appropriate that he be the point person in that
 6 regard. So that's how we channeled different people within
 7 the White House specifically charged with a narrow
 8 expertise. So that they can speak to reporters about it.
 9 So I mean that's the time line. I don't know if that gets
 10 to your point.

11 Q What I'd really like to know, you've identified
 12 for us a specific event, the receipt of subpoena on March
 13 4th which changed the nature and extent of your involvement
 14 in this case?

15 A Correct.

16 Q Prior to March 4th in the two or three days
 17 preceding that, was there any similar event of similar
 18 moment which caused you to affirmatively disengage yourself
 19 from the discussions which were on going?

20 A Other than the fact that in the fall Bruce
 21 Lindsey was the point person for the press. So I was not
 22 personally dealing with the details of Whitewater in the

1 November-December period. And then in January, John
 2 Podesta was.

3 Q Designated the point person for Whitewater
 4 matters?

5 A Within the White House and in that sense I wasn't
 6 disengaging, but as we have different people within the
 7 White House in certain areas, those were the two key
 8 individuals.

9 MR. BRAUNREUTHER: Okay. Do you have a copy that
 10 I can borrow just so we can both read off of this document
 11 which has been marked 878 through 888?

12 MS. HAMMERSCHMIDT: Tell me what it is.

13 MR. BRAUNREUTHER: This is the tick tock series
 14 of documents.

15 MS. HAMMERSCHMIDT: We have different numbers on
 16 ours but it's the --

17 MR. BRAUNREUTHER: I think we have --

18 MS. HAMMERSCHMIDT: Ours is 908 to --

19 BY MR. BRAUNREUTHER:

20 Q -- we have a second copy which I've provided the
 21 witness. Now, what I'd like to do is just direct your
 22 attention to 886, X886 and there appears at the top of the

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1 page to be an entry which reads "in retrospect, the meeting
2 probably shouldn't have occurred but at the time," and the
3 sentence isn't completed.

4 I believe that's consistent with what you earlier
5 testified you recollected about a meeting you had on that
6 same date with Mr. Lindsey, Mr. Nussbaum, and Ms. Myers; is
7 that right?

8 A Correct.

9 MR. SIMON: Except the only correction is it's
10 not clear to me on what date this is written but certainly
11 the date of the Washington Post article by Ms. Devroy,
12 there was a meeting that he testified about. I just don't
13 know what date, this document isn't dated.

14 BY MR. BRAUNREUTHER:

15 Q If you move back to page 884 which appears to be
16 an earlier page in the same document, there's a date which
17 appears at the top of the page 3/3/94 and I think you
18 testified that you believe these are notes that were
19 maintained by Ms. Myers?

20 A As I've testified, I first saw this last Sunday
21 when the House committee showed it to me. I know this to
22 be her writing.

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1 Q And we know it's dated March 3rd?

2 A Correct.

3 Q We know it's her writing?

4 A Correct.

5 Q We know, for example, that the entry at the top
6 of document 886 is consistent with your recollection of
7 what occurred at a meeting on that same day?

8 A It's consistent with what we agreed at that
9 meeting that we were going to say from the White House,
10 correct, yes.

11 Q And is it fair to say that it would appear that
12 these are notes from the same meeting which that you
13 attended on that same date?

14 A I would tend to doubt it because Cliff Sloan was
15 not at the meeting and there seems to be an entry from
16 Cliff.

17 Q And that begins at page 886?

18 A Correct.

19 Q Now, above that, I believe there are about 2-1/2
20 pages of notes concluding with the sentence which I read.
21 Does it appear that those may have been notes, and take a
22 look at them, reflecting what you discussed at your meeting

1 that day with Bernie Nussbaum, Bruce Lindsey and Dee Dee
2 Myers?

3 (Witness reviewed the document.)

4 And in order to help you, I would just mention
5 that page 884 of Ms. Myers's notes begins with "Bernie" and
6 appears to have some notes under his name and then an entry
7 for Bruce Lindsey with notes under his name and continues.

8 MR. SIMON: To the middle of 885.

9 BY MR. BRAUNREUTHER:

10 Q To 885 and it picks up again at 886.

11 (Witness reviewed the document.)

12 A Yeah, I've reviewed this for the first time. I
13 recall --

14 Q This is the first time you have reviewed those
15 documents?

16 A Yeah.

17 Q Okay. So you were shown it when you were
18 interviewed by the House, but you were not given an
19 opportunity to review the document?

20 A Correct.

21 Q I have observed that your counsel has a copy of
22 the document as well.

1 A Right.

2 Q Did you have an opportunity to review it in
3 preparation for testifying?

4 A No.

5 Q Have you had enough time now to review it?

6 A Yeah. I recall the meeting -- I don't believe
7 this is the same meeting. I recall the meeting on
8 March 3rd as a meeting to discuss how we were going to
9 respond to it specifically that day. And in the instance
10 of saying that the meetings shouldn't have occurred and
11 there was a discussion at that meeting whether or not we
12 should -- I felt strongly that we needed to say that the
13 meetings, in hindsight, looking back, that they should not
14 have happened to avoid the appearance of impropriety. I
15 can recall Mr. Nussbaum feeling that that shouldn't be the
16 case, that we should not go that far and say that. And
17 that was the nature of the conversation for that brief time
18 in the Roosevelt Room.

19 You know, it is not unusual for Ms. Myers in the
20 preparation of the materials that she needs for her daily
21 briefing to talk to different people during the course of
22 preparing answers. I don't know if this followed or not,

1 but I don't recall this conversation like that.

2 Q So having reviewed the documents 884 and 885, you
3 can't determine whether those are notes of a meeting you
4 attended or notes that Ms. Myers may have taken at a
5 separate meeting?

6 A Right, and I don't have notes from the meeting I
7 attended.

8 Q Do you know whether Ms. Myers kept notes at the
9 meeting you attended?

10 A I don't know.

11 Q Is it her -- would she in attendance at the
12 meeting you attended in order to obtain information to be
13 used in reporting to the press?

14 A She was at the meeting March 3rd in the Roosevelt
15 Room with Bernie and Bruce, the four of us met there. I
16 don't know if she took notes or not at that meeting. I
17 don't recall.

18 Q How long did the meeting in the Roosevelt Room
19 last?

20 A I would say under 10 minutes.

21 Q Do you recall what time of day it was?

22 A It was after the senior staff meeting so it was

1 probably 8:45.

2 Q And how does that work, the senior staff meeting
3 concluded and you were asked with others to reconvene for a
4 separate meeting on the --

5 A It wasn't quite that formal. The senior staff
6 meeting begins at 8:00 and it ended usually around that
7 time. We just had a brief pull-aside meeting, Bruce and
8 Dee Dee and Bernie and myself.

9 Q Was there any mention at the senior staff meeting
10 on March 3rd, were these matters, including Mr. Altman's
11 testimony on February 24th and the concerns about that
12 testimony discussed at the senior staff meeting on March
13 3rd?

14 A As I've said, I suspect I would have given the
15 morning news summary that would have included that, given
16 the prominence that it ran in the Post. In and around that
17 time, I'm not sure it was the 3rd or not, the discussion of
18 Mr. McLarty's memo to the staff that was circulated was
19 referenced in the Devroy article was mentioned, whether it
20 was that senior staff meeting or the day before I don't
21 recall. I don't recall a detailed discussion of that
22 meeting at the senior staff meeting that day.

1 Q You don't recall whether you mentioned it at
2 senior staff?

3 A I don't recall a detailed discussion of it at the
4 senior staff.

5 Q Do you recall personally being involved in the
6 process to gather information to make it available either
7 to the senior staff or to the press in a most accurate form
8 that you could?

9 MR. SIMON: What's the "it"?

10 MR. BRAUNREUTHER: Information.

11 MR. SIMON: About what?

12 MR. BRAUNREUTHER: I believe we've -- I think
13 you've defined it. But so it's clear in my question.

14 BY MR. BRAUNREUTHER:

15 Q The information pertaining to White House
16 Treasury contacts which had been raised by Mr. Altman's
17 testimony and had been pursued by press inquiries during
18 that period of time?

19 A Before the 3rd?

20 Q On the day of the 3rd and before the 3rd.

21 A Well, from the -- on the day of the 3rd what I
22 recall is the Roosevelt meeting I described and the

1 interest that I had in the White House saying that in
2 hindsight these meetings shouldn't have happened. That's
3 indeed what I then said to the press that morning. And the
4 president, I believe, said it later that day. After
5 Mr. Altman's testimony, as I've said before --

6 Q Let me -- I don't want to confuse you. I do want
7 you to -- let me focus just on March 3rd and I think you
8 were going off to try to relate events that occurred
9 throughout that week. To make it easier for both of us,
10 let's focus on the particular meeting on March 3rd. And I
11 just want to put it in context.

12 You were at that time involved in the process of
13 gathering information so that it could be made available to
14 the press; is that right?

15 A I was involved in the process -- I was responding
16 to Ann Devroy's inquiry which I think came on March 1st
17 about the October 14th meeting. That's what I spoke with
18 her about both on the 1st and the 2nd. I was also aware as
19 I've said that the September 29th meeting was going to be
20 also discussed with her by another administration
21 official. I was not preparing that piece of the story for
22 Ann Devroy. Just, I mean that's the division of labor here

1 for the Devroy piece.

2 On the 3rd --

3 Q Who was that official going to be?

4 A As I've said, I can't recall whether it was John
5 Podesta, Joel Klein or George Stephanopoulos who actually
6 talked to them. The article references a senior
7 administration official.

8 Q Okay. So that was the extent of your role on
9 March 3rd?

10 A That was the extent of my role concerning the
11 September 29th meeting as related to The Washington Post
12 reporter. On March 3rd the extent of my role that day was
13 to go to the press, just informally in my office, to say
14 that in hindsight we wished the meetings hadn't occurred.

15 Q All right. And that was the conclusion reached
16 by the participants of the meeting in the Roosevelt Room
17 after the staff meeting?

18 A Right.

19 Q You've already explained that you took the view
20 that it would be best at that point to make the disclosure,
21 to take the position that it would be better if the
22 meetings had not occurred?

1 A Right.

2 Q Mr. Nussbaum opposed that position; correct?

3 A Yes.

4 Q And the two other participants were Ms. Myers and
5 Mr. Lindsey; correct?

6 A Correct.

7 Q What position did each of them take with respect
8 to that issue?

9 A I'm certain that Ms. Myers agreed with me and I
10 believe Mr. Lindsey did as well.

11 Q Can you explain or describe for me the tenor of
12 Mr. Nussbaum's opposition?

13 A His opposition was, as I recall, that these
14 meetings were -- that there was nothing improper about
15 these meetings, and that we should not be in the position,
16 we the White House, of saying that we wished they hadn't
17 happened because that would be not reflective of what the
18 meetings were. He felt strongly that the meetings were
19 appropriate.

20 Q I take it there was a fair discussion and back
21 and forth of whether or not you should take the position
22 that it would be better the meetings hadn't occurred or

1 adopt Mr. Nussbaum's position?

2 A Correct.

3 Q Did everybody have an opportunity to air their
4 views at that point?

5 A As I recall.

6 Q And I assume that people who are expressing a
7 view had at that point become familiar with the facts of
8 those earlier meetings so that they could make that
9 decision?

10 A I wouldn't assume that. I think as I've said
11 before, this was a communications discussion and not a
12 legal discussion. I was basing my -- I think everyone, or
13 at least from my own part, the extent of my knowledge was
14 the knowledge of the meeting that I attended on October
15 14th and then the Ann Devroy article which reviewed all the
16 contacts.

17 So I was in a position -- this was a conversation
18 about the communications of those meetings and not a legal
19 decision. So I'm -- I know what I felt based on the
20 meeting I attended, that I have no questions about the
21 appropriateness of the meeting I attended, based on my
22 recollection of it, but I am not in a position to speak to

1 the meeting of September 29th.

2 Q But you were taking a view on that date in
3 contrast to Mr. Nussbaum's view with respect to not just
4 the October 14th meeting but also the September 29th
5 meeting; correct?

6 A I don't believe they were parsed, right.

7 Q So your recommendation that there be
8 acknowledgment or there be an acceptance that it would be
9 better that the meetings did not occur applied both to the
10 October 14th meeting and to the September 29th meeting;
11 right?

12 A Correct.

13 Q And in order to go back and forth with
14 Mr. Nussbaum about the September 29th meeting, wasn't it
15 necessary to have some understanding of what occurred in
16 the September 29th meeting?

17 A No, for the following reason: Mr. Nussbaum's
18 argument was, as a chief legal and ethics officer in the
19 White House, was that nothing was wrong at these meetings.
20 Based on the meeting I attended, I had no reason to doubt
21 him about any other meeting in the White House.

22 It was my argument, solely from a communications

1 point of view, that it would be better that day, early in
 2 the day, for the White House to say in hindsight we wished
 3 these meetings hadn't occurred rather than solely, again in
 4 a communications context, to prolong a discussion about the
 5 relative merits of these meetings because he felt all of
 6 the contacts, all of the meetings were appropriate. I felt
 7 that it was then solely a communications issue and not a
 8 legal issue.

9 Q Did you know, at that time when you took this
 10 view in opposition to Mr. Nussbaum's point of view, that
 11 the September 29th meeting involved a discussion of
 12 criminal referrals?

13 A Yeah, that was in the Ann Devroy article.

14 Q And did Mr. Nussbaum acknowledge in this
 15 discussion that in fact he had been made aware of a
 16 criminal referral during the course of the September 29th
 17 meeting?

18 A I don't recall anything in that Roosevelt Room
 19 meeting, that I learned anything beyond the Ann Devroy
 20 article.

21 Q I'm not asking whether you learned it at that
 22 meeting. But did you know while you were contesting this

1 issue with Mr. Nussbaum that even Mr. Nussbaum acknowledged
 2 that the September 29th meeting involved a discussion of
 3 criminal referrals?

4 A I don't know whether I knew that from The
 5 Washington Post or the day before. I knew, as I've said,
 6 there was going to be this other contact reported or
 7 relayed to The Washington Post reporter, but I was not
 8 aware of the nature of it.

9 Q At the time you were in the Roosevelt Room
 10 discussing this issue with Mr. Nussbaum, everyone present
 11 understood that the September 29th meeting involved a
 12 disclosure of criminal referrals to Mr. Nussbaum by
 13 Ms. Jean Hanson; correct?

14 A I believe that's correct.

15 Q Now, with respect to the February 2nd meeting,
 16 was it known to you at that time that the February 2nd
 17 meeting had involved a discussion of the issue of recusal?

18 A Was it known to me March 3rd.

19 Q On March 3rd when you were discussing these
 20 matters -- well, I mean any time on March 3rd. I assume if
 21 you have the knowledge, it doesn't disappear. On March 3rd
 22 were you cognizant of the fact that one of the issues

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1 discussed at the February 2nd meeting was Mr. Altman's
2 recusal?

3 A I don't -- I would suspect, given the time line,
4 that I was aware of it. I recall, though, that the issue
5 at the time was the notion of the heads-up, in his words,
6 testimony of the 24th because that plus the 29th meeting
7 and the October 14th meeting was the substance of the
8 Devroy story. As I recall from that time, it was a
9 question of the meetings and the contacts and less the
10 recusal for purposes of our press approach that day.

11 Q In discussing the issues with Mr. Nussbaum and
12 the others in attendance at that meeting in the Roosevelt
13 Room, did anybody express the view it would be particularly
14 embarrassing to make a disclosure with respect to criminal
15 referrals, particularly that there would be a particular
16 problem identified with the fact that the September 29th
17 meeting involved criminal referrals?

18 A My recollection is that was in the Ann Devroy
19 article.

20 Q Already out?

21 A Yes.

22 Q Was anything else said, to your recollection, at

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1 the March 3rd meeting in the Roosevelt Room?

2 A No. I just recall, as I've said, this meeting to
3 discuss what we were going to do immediately that morning
4 about the Post article.

5 Q Subsequent to that meeting on March 3rd, did you
6 have any discussions with anyone else with respect to these
7 issues, and that being the White House-Treasury contacts as
8 well as Mr. Altman's prior testimony with respect to those
9 contacts?

10 A With anyone else? Whether I had a press inquiry
11 about it that day?

12 Q Within the White House --

13 A I don't believe --

14 Q With anyone within the White House or Treasury.

15 A Not Treasury. I don't believe I talked to
16 Treasury that day about it. I don't recall.

17 Q Do you recall -- at that time Ms. Myers was
18 essentially your subordinate; correct?

19 A Yes.

20 Q Do you know whether she was tasked to interview
21 people and develop the facts in any greater detail than you
22 had?

1 A Well, it is her normal practice in preparation
2 for the press briefing if there was one that day. And I
3 don't recall -- as I've said, these are the kind of
4 questions that are prepared by the deputy press secretary.
5 I don't know if these were but that's the kind of thing
6 that's done.

7 Q And you are pointing now to?

8 A 888.

9 Q To the best of your knowledge, these were
10 prepared by Dee Dee Myers on March 3rd?

11 A No, I have no idea who they were prepared by.
12 What I am suggesting is the deputy press secretary Ginny
13 Terzano, as part of her responsibility preparation of
14 possible questions each day in preparation for the daily
15 news briefing or the press briefing from the White House
16 press core. I do not know who produced these questions.
17 And this is the kind of thing I know to be her approach in
18 preparation of information.

19 Q When you say "her" --

20 A Ms. Myers.

21 MR. SIMON: By "this," you mean the document that
22 you were showing, 879 and --

1 THE WITNESS: Right, the tick tock document.

2 BY MR. BRAUNREUTHER:

3 Q You are speaking about 879 through to 888?

4 A Correct.

5 Q Did Ms. Myers report to you at any time in the
6 course of the day on March 3rd about the information she
7 had gathered or the steps that she was taking to prepare
8 the items reflected in these documents?

9 A I don't recall a specific meeting. I do most
10 recall what our initial approach to this was going to be,
11 which was most important to me, that we say, as I've said,
12 that we wished that these meetings hadn't occurred. But
13 for the specifics of her meetings and follow up, I don't
14 recall a discussion of it.

15 Q And do you recall anything else about discussions
16 you may have had either with Ms. Myers or others within the
17 White House on March 3rd?

18 MR. SIMON: Regarding this subject.

19 MR. BRAUNREUTHER: Regarding this subject.

20 THE WITNESS: On March 3rd, no.

21 BY MR. BRAUNREUTHER:

22 Q And as of March 4th, the subpoena was served and

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1 any communication between you and others within the White
2 House with respect to the Madison/Whitewater-Treasury-White
3 House contacts and Mr. Altman's testimony concluded;
4 correct?

5 A Well, I was aware of a CNN interview that George
6 Stephanopoulos was going to go on after March 4th. It was
7 the weekend of the Time magazine article that he was on the
8 cover of Time magazine and he was requested to appear on
9 CNN. He told me --

10 Q That would be March 5th or 6th. March 4. March
11 4th was a Friday?

12 A It was the next week.

13 Q The 12th or 14th?

14 A I believe so. He told me at the time that he was
15 going to go on CNN and to tell them that he had called Josh
16 Steiner to, in his words, blow off steam when it was
17 announced that Jay Stephens was hired by the RTC. Other
18 than that I'm not aware of anything after the subpoena.

19 And that was the extent of my conversation with
20 Stephanopoulos, that he was going to do this, that's what
21 he was going to say and indeed that's what he did say on
22 CNN that day.

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1 Q Is that solely a heads-up or was he looking for
2 some kind of input? I know "heads-up" has taken an
3 unfortunate overtone here. I don't intend to misuse the
4 term.

5 Give me your best impression of why
6 Mr. Stephanopoulos would alert you to the fact that he's
7 going on CNN. Was this just routine practice?

8 A Yes.

9 Q That you're aware of major press events?

10 A Right. It was just a courtesy.

11 Q It was not -- it did not entail any substantive
12 discussion between you and him about the underlying event?

13 A No, we did not discuss anything beyond that.

14 Q So aside from the incident that you've related to
15 us, is there anything else after March 4th regarding your
16 contacts between other White House officials in
17 relationship to Mr. Altman's testimony or the
18 Madison/Whitewater-White House-Treasury contacts?

19 A I don't believe so. No.

20 Q I wanted to finish up with that March 3rd meeting
21 before we went back, and now I'd like to take you back a
22 little bit. I'm not going to go too far back. I'd like to

1 start with February 24th.

2 MR. SIMON: Could we go off the record a second.

3 (Recess.)

4 BY MR. BRAUNREUTHER:

5 Q If I can let me go back to the October 14th
6 meeting, and I know you've given substantial testimony
7 already, so I'll try to direct your testimony to directly
8 so we can get done by 1:00.

9 I believe you testified with respect to the
10 October 14th meeting that you had been involved in another
11 matter in the days preceding it or had been traveling.

12 MR. SIMON: On the 14th.

13 THE WITNESS: On the 14th, I had gone to the
14 Washington Hilton Hotel to give a speech to the Democratic
15 National Committee.

16 BY MR. BRAUNREUTHER:

17 Q So you were busy during the earlier part of the
18 day and, to your knowledge, returned and this item was on
19 your schedule?

20 A Right.

21 Q So it was somebody else that had scheduled it for
22 you?

1 A Yes. It was Stephen Cohen, as I've said, who
2 prepares my schedule, and first that I can recall of it was
3 when I observed it on my schedule that morning.

4 Q To the best of your recollection, you hadn't
5 prepared any materials for the meeting and hadn't been
6 briefed in preparation for the meeting?

7 A That's correct.

8 Q And you had no notice about the meeting, to the
9 best of your recollection, prior to returning to your
10 office?

11 A Right. And indeed when Stephen was telling me to
12 go up there per the call from Nussbaum's office, I asked
13 him what the meeting was about and he said he did not know.

14 Q Okay. And at the meeting you did not make any,
15 did you make any statements at the meeting yourself?

16 A I don't recall any.

17 Q And I believe you described from your notetaking
18 that you had very little interest and perhaps even tailed
19 off to the point of nodding away?

20 A That's a fair statement.

21 Q So you also at the conclusion of the meeting were
22 assigned no tasks; correct?

1 A Right.

2 Q And I take it from what you said, you made no
3 contribution to the meeting regarding press communications
4 to the extent that they were or were not raised at the
5 meeting?

6 A I don't recall.

7 Q And no plan was formulated in this meeting in
8 your presence to address press issues going forward;
9 correct?

10 A Correct.

11 Q And you arrived late at the meeting and may have
12 even missed part of the meeting?

13 A Yeah, I don't know how much of the meeting I
14 missed. I know I was there for 10 to 15 minutes and that I
15 was called a couple of times from Mr. Nussbaum's office to
16 go up there to the second floor.

17 Q Aside from yourself, were there any other White
18 House press people, press or communications people in
19 attendance at the meeting?

20 A No.

21 Q The other attendees included Mr. Lindsey,
22 Mr. Nussbaum, Mr. Sloan, Mr. DeVore from Treasury?

1 A Steiner and Eggleston.

2 Q Steiner and Eggleston. And none of those people
3 have a primary responsibility -- well, withdrawn.

4 I believe you described before that there are
5 times when you may have meetings that have, you know,
6 multifaceted aspects -- to discuss issues which are
7 multifaceted; is that right?

8 A I'm not sure what you mean.

9 Q I assume that in the White House everyone is very
10 busy, particularly the individuals who attended this
11 meeting; is that a fair statement?

12 A That's a fair statement.

13 Q And meetings are not just convened and people
14 don't attend for no reason?

15 A I would hope not.

16 Q And typically they're brought to these meetings
17 to lend their particular expertise to the issue which will
18 be discussed at the meeting?

19 A That's a fair statement.

20 Q And you've already testified that you were the
21 only one to bring that press expertise in particular to
22 that meeting or the communications end of the equation?

1 A I'm the only one officially within the
2 communications department at that meeting from the White
3 House.

4 Q And now where is Mr. Eggleston, in the White
5 House counsel's office?

6 A That's right.

7 Q So his responsibilities are primarily legal; is
8 that right?

9 A That's my understanding.

10 Q Or if not just primarily, maybe exclusively?

11 A That would be -- that's my understanding.

12 Q And with respect to Mr. Sloan, do you have the
13 same understanding?

14 A I do.

15 Q And with respect to Mr. Nussbaum, the same
16 understanding?

17 A I do.

18 Q And Mr. Lindsey is a senior adviser to the
19 president?

20 A Uh-huh.

21 Q Is it fair to say to that Mr. Lindsey is a
22 particularly busy man whose responsibilities in a general

1 sense are to become involved in issues of particular
2 importance to the administration?

3 A Yes. He has served a variety of roles in the
4 White House, including, at the beginning of the
5 administration, director of personnel. He's a longtime
6 associate of the president's, and handles a variety of
7 issues in the White House.

8 Q Is it fair to infer that, from his presence at
9 the meetings, that this was an issue which was flagged as a
10 potentially very significant issue to the administration in
11 the manner in which it could affect the administration's
12 ability going forward to implement its legislative agenda
13 or successfully complete its agenda?

14 A I don't know why he was at the meeting
15 specifically. He is the person the White House most
16 knowledgeable about Arkansas-related matters. I would not
17 suggest to you that your question suggesting that it
18 illustrated a red flag of paramount importance is
19 necessarily the conclusion I would draw from it.

20 Q And you also testified that the meeting was held
21 in Mr. Nussbaum's office; correct?

22 A Correct.

1 Q And from that, would you infer that the meeting
2 had probably been organized by Mr. Nussbaum and organized
3 by Mr. Nussbaum?

4 A As I've said, I don't recall coordinating this
5 meeting, scheduling this meeting, calling this meeting.
6 When I call meetings, they're usually in my office. When I
7 call meetings, I usually know what they're about. When I
8 call meetings, I usually start the meeting or at least am
9 there for most of the meeting. But I don't recall who set
10 it up. Stephen Cohen, my assistant, said he was called by
11 Mr. Nussbaum's office to put it on my schedule.

12 Q Have you heard or have you been apprised of
13 reports that it's been -- that the meeting is alleged to
14 have been called and organized by yourself?

15 A I've reviewed it in the tick tock that you just
16 showed me.

17 Q And what in the tick tock particularly did you
18 take a look at that alerted you to that fact?

19 A Well, in the typed version, I guess I saw, I
20 first saw it last week, it said the meeting was called by
21 Mark Gearan or something like that.

22 Q I take it you disagree with that?

1 A I do.

2 Q Answer --

3 A Well, I have no recollection of that.

4 Q In particular, on page 881, it's stated that "the
5 meeting on October 14th was set up by Mark Gearan and
6 included Nussbaum, Neil Eggleston and Cliff Sloan, and from
7 Treasury Jean Hanson, Josh Steiner and Jack DeVore."

8 Prior to reviewing this I believe you said last
9 week, had you ever been asked whether or not you were
10 responsible for setting up the October 14th meeting?

11 A I don't know if I was asked that at the grand
12 jury. I don't know if I'm supposed to say what I was --

13 Q I'm not interested in what happened at the grand
14 jury. What I'd like to do is direct your attention back to
15 the period following February 24th up until March 4th, when
16 you were developing facts to respond to press inquiries
17 about the October 14th meeting.

18 A No, that's wrong. I was called on March 1st by
19 The Washington Post reporter about the October 14th
20 meeting.

21 MR. SIMON: That's Ann Devroy.

22 THE WITNESS: By Ann Devroy. Up until that point

1 I had not thought about the October 14th meeting.

2 BY MR. BRAUNREUTHER:

3 Q So the first time --

4 A The first I had thought about it, Ann Devroy
5 called me and said to me did you attend an RTC meeting. I
6 said I've never attended RTC meetings. And then she said
7 weren't you in a meeting in Bernie's office in the fall and
8 described it to me and I said, well, that wasn't an RTC
9 meeting which was the quote I think that ran in The
10 Washington Post. And in preparation for that article,
11 that's when I reviewed Mr. Lindsey's memo and talked to the
12 officials I've described.

13 Q Okay. I'm not suggesting that you got involved
14 on this on February 24th.

15 A I just wanted to get the time line right. You
16 said February 24th, I wanted to make sure it was March 1st
17 that that meeting first came into --

18 Q Into your recollection?

19 A Correct.

20 Q By virtue of a contact from Ann Devroy?

21 A Correct.

22 Q In connection with the specific article she was

1 going to do about that meeting?

2 A Correct, that was published March 3rd.

3 Q After that initial contact with Ms. Devroy, did
4 you undertake to speak to others who had attended that
5 meeting to develop the facts so that you would be in a
6 position over March 2nd, March 3rd up until receipt of the
7 subpoena on March 4th, to apprise others accurately as to
8 what had taken place on October 14th?

9 A In preparation to answer Ann Devroy's questions,
10 as I've said, I was provided with Bruce Lindsey's
11 memorandum, another copy of that which I operated off of
12 for talking to Ann Devroy. I never went back to my notes
13 of that meeting, never frankly thought to go back to my
14 notes of that meeting. I only produced those notes for the
15 subpoena. I had not thought on March 1st and 2nd to go
16 back to my personal notes. I operated off of Lindsey's
17 memorandum.

18 As I've said, I talked to Klein that day and
19 Podesta when the Devroy call came in. That's when we
20 discussed who was at the meeting, that's when he told me
21 Jean Hanson was at the meeting, "he" being Klein. And
22 Podesta at that point. I was aware, either through Joel or

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1 John Podesta or George Stephanopoulos, that this other
 2 meeting, the September 29th meeting, was going to be also
 3 included in the Devroy story, that they were going to
 4 tell -- I can't recall who was going to talk to Devroy
 5 about that meeting. And then I've described the March 3rd
 6 meeting. That I think is the chronology and the context
 7 that I have about it.

8 Q Is it your testimony that the only information
 9 that you obtained about the October 14th meeting from an
 10 independent source was the memo provided by Mr. Lindsey?

11 A My testimony is that I based my answers to Ann
 12 Devroy after the Lindsey memo, but that I also talked, as
 13 I've said, with Klein and Podesta about the meeting.

14 Q Okay. And in --

15 A All for the purposes of answering Devroy's
 16 questions.

17 Q And at the time you spoke to -- well, let me make
 18 clear. You spoke to Klein and?

19 A John Podesta.

20 Q John Podesta. Did you speak to Bernie Nussbaum
 21 about his recollection of the October 14th meeting?

22 A I don't think I did until the 3rd. I don't

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1 recall him being in play for the Devroy article, not with
 2 me anyway.

3 Q When you say the 3rd, you are talking about the
 4 Roosevelt Room meeting on the 3rd?

5 A Correct.

6 Q You have told us everything you recall about that
 7 discussion?

8 A Yes, I believe so.

9 Q Did you speak to Mr. Neil Eggleston about his
 10 recollection of the October 14th meeting?

11 A No.

12 Q After receiving this inquiry from Ms. Devroy, did
 13 you speak to Mr. Cliff Sloan --

14 A No.

15 Q -- about his recollection of the October 14th
 16 meeting?

17 A No.

18 Q Have you ever spoken to anyone from Treasury
 19 including Mr. Altman ---excuse me, at Treasury, including
 20 Ms. Hanson, Mr. Steiner or Mr. DeVore, regarding their
 21 recollection of what had occurred at the October 14th
 22 meeting?

1 A No.

2 Q Now, with respect to the two individuals you did
3 talk to, which are Mr. Klein and Mr. Podesta, did they
4 impart to you, during the course of your discussions with
5 them, what other people were saying about that meeting?

6 A No. I recall it as a general discussion, that
7 this was a meeting to discuss press inquiries that Treasury
8 had received. And that there was this lengthy memorandum
9 summarizing the meeting that we could operate off of for
10 purposes of answering reporters' questions, but not beyond
11 that.

12 Q Do you recall anybody discussing with you, during
13 this period after March 1st through March 4th, that there
14 should be a characterization of this meeting as a press
15 meeting and I'm referring back now to the October 4th
16 meeting -- October 14th meeting?

17 A Oh.

18 MR. SIMON: I don't -- I personally don't
19 understand your question and the witness may not also. Are
20 you asking whether or not somebody else described it that
21 way or deliberately said it should be described that way?

22 BY MR. BRAUNREUTHER:

1 Q I'll rephrase it. Did anybody during the period
2 March 1st through March 4th discuss with you that a proper
3 characterization of the October 14th meeting would be to
4 call it a press meeting?

5 A No one instructed me to call it a press meeting.
6 As I've said, discussed it with Joel and John, reviewed the
7 Lindsey memorandum, recalled it as a press a meeting to
8 discuss press inquiries, and if anything it was my
9 characterization.

10 Q But you know as a matter of fact that the meeting
11 on October 14th included discussions of criminal referrals
12 involving the Madison/Whitewater case; is that right?

13 A I know that, based on my notes, that that
14 information was relayed from reporters to Treasury and that
15 that information was reported at that meeting.

16 Q I realize that it's your point that, it was
17 raised, because there had been a press inquiry?

18 A Correct.

19 Q A press inquiry is not a published press report;
20 right?

21 A In this instance it was not.

22 Q In the instance of October 14th?

1 A Right. It was not.

2 Q There had not been an article published on these
3 matters?

4 A Correct.

5 Q It was a press inquiry which was a question about
6 these issues; right?

7 A A question and a recitation of the --

8 Q The understanding of the reporters?

9 A Right. Seemingly facts.

10 Q Was there an agreement at the meeting that
11 someone should get back to the reporter and provide
12 information to him to correct his -- to correct the
13 reporter's information?

14 A What I recall from the meeting is that I wasn't
15 tasked to do anything. That it was a Treasury matter.
16 Mr. Lindsey's memo has more detail about it in that regard
17 than my notes or the portion of the meeting that I was at.

18 Q Do you recall that Mr. DeVore, who had received a
19 contact from Mr. Gerth regarding this matter, stated that
20 Mr. Gerth's story was inaccurate in that he was unaware
21 that there had already been a criminal referral?

22 A As you've seen from my notes, I have Gerth

1 listed, but I don't recall that I was, that I knew that
2 DeVore thought it was inaccurate. We can go through my
3 notes.

4 Q Let me direct you to Mr. Lindsey's memorandum,
5 X1180, and in particular to the statement to the sentence
6 which reads as follows. "DeVore wanted to make it clear to
7 Gerth that the referrals had been sent to Little Rock
8 before his call. DeVore's inclination also was to confirm
9 to Gerth the fact of the referrals." You see that
10 sentence?

11 A Uh-huh.

12 Q Does that refresh your recollection as to whether
13 or not Mr. DeVore revealed that Mr. Gerth was under the
14 erroneous assumption that the referrals had not been made?

15 A No. As I've said, much of this doesn't refresh
16 my recollection of the portion of the meeting I was at. My
17 notes which I would like to actually look at --

18 Q I think they're X1047, 1048.

19 A -- indicate the report from Gerth that continues
20 on to 1048 but that his questions, at least for this
21 meeting, the portion of the meeting that I was at, the
22 query is mainly who endorsed the checks, meaning the

1 cashier's checks. But in terms of the sentence in the
2 Mr. Lindsey's memorandum, I don't recall that.

3 Q Do you recall whether anyone at the meeting
4 discussed the fact that the reality was that there had
5 already been a criminal referral made?

6 A You know, my notes indicate what I believe is
7 that Sue Schmidt reporting that the last Friday they were
8 already referred to Little Rock, but I don't recall a
9 discussion about that specifically.

10 Q You have no recollection of people taking -- of
11 the participants of the meeting taking the stories that
12 were coming from the press and commenting on the accuracy
13 of those stories?

14 A No.

15 Q And I take it therefore that during the course of
16 this meeting, when the story about nine criminal referrals
17 being discussed, no one offered any insight into actually
18 what had happened with respect to the referrals?

19 A Not for the portion of the meeting I was at, that
20 I can recall.

21 Q Did Mr. Nussbaum disclose at this meeting that
22 he --

1 MR. SIMON: Excuse me.

2 (Discussion off the record.)

3 BY MR. BRAUNREUTHER:

4 Q So during the course of this October 14th
5 meeting, the issue of nine criminal referrals as it had
6 been related by the reporters was discussed; right?

7 A Yeah, my notes indicate that.

8 Q Did either Mr. DeVore or Jean Hanson verify that
9 the information given by the press regarding criminal
10 referrals was accurate or inaccurate?

11 A As I've said, I don't recall that Jean Hanson was
12 at this meeting. And I don't recall a discussion of the
13 veracity of what the reporters were saying. It was
14 referred in the past tense and I don't recall a discussion
15 of whether or not this was true or not.

16 Q But the issue of the nine criminal referrals was
17 discussed; correct?

18 A It was reported at this meeting.

19 Q I realize it's your testimony that the source of
20 the information was solely from the press; right?

21 A Correct.

22 Q With that understanding, is it true that the fact

1 of the nine referrals was discussed?

2 A It was reported. I don't recall a discussion of
3 the referrals.

4 Q The issue or the words "nine criminal referrals"
5 were uttered at the meeting?

6 A And I wrote them down.

7 Q And that the nine criminal referrals had been
8 sent from various regions to D.C. three weeks ago; those
9 words were uttered at the meeting?

10 A My notes, whether those exact words or not, my
11 notes indicate that, correct.

12 Q And there was also mention at the meeting that
13 last Friday the criminal referrals went to the U.S.
14 Attorney's office in Little Rock, Arkansas?

15 A Correct.

16 Q Now, at any time during those discussions, did
17 either Mr. Nussbaum or anyone else at the meeting reveal
18 that they had discussed the criminal referrals previously
19 with representatives of the Treasury?

20 A Not that I can recall, no.

21 Q So to the best of your recollection, while these
22 matters were being mentioned, Mr. Nussbaum did not disclose

1 that he had been a party to discussions about criminal
2 referrals prior to October 14th?

3 A That's correct.

4 Q So he sat quietly as people debated the criminal
5 referral issue without disclosing what has now become, and
6 you know to be a fact, that he had had a conversation on
7 September 29th --

8 MR. SIMON: Counsel, I'm sure you're not trying
9 to be unfair. I think Mr. Gearan has said often enough to
10 make it clear there was no debate. There was a discussion
11 about the semantics between discussion --

12 MR. BRAUNREUTHER: Withdrawn.

13 MR. SIMON: Thank you.

14 BY MR. BRAUNREUTHER:

15 Q Incidentally, how frequently did Mr. DeVore meet
16 with White House officials of the stature of who attended
17 this meeting to just discuss general press inquiries?

18 A Well, it would be our practice before, as I've
19 said, before, for instance, the G-7 trip that he would come
20 over and we would plan the communications plan for the G-7
21 trip with the president and the secretary of the Treasury.
22 I would talk to him regarding Sunday show appearances, but

1 for the specific, seeking guidance from White House
2 officials, I'm not aware of other instances like this.

3 Q Now you testified earlier that, at least by March
4 3rd in your discussions with Mr. Nussbaum, he confirmed to
5 you that there had been a meeting on September 29th where
6 the subject of criminal referrals had been discussed;
7 correct?

8 A Yeah, what I've said is in between the 1st, from
9 either the 1st or the 2nd after Mr. Devroy's initial call
10 to me, that it was made known to me by the three
11 individuals that I've cited that there was another contact,
12 that it was going to also be disclosed to The Washington
13 Post reporter so that it would all be in the same article.

14 Q And you discussed that at some point with
15 Mr. Nussbaum?

16 A I did not discuss that until the 3rd, I don't
17 believe.

18 Q So at least by the 3rd you had a confirmation
19 from Mr. Nussbaum himself?

20 A Right.

21 Q That a meeting had occurred on September 29th
22 regarding criminal referrals?

1 A Yes.

2 MR. SIMON: Did it include a discussion of
3 criminal referrals?

4 THE WITNESS: Yes, as I've said, the discussion
5 with Nussbaum that I can recall on the 3rd dealt with the
6 Devroy article. And my recollection is the Devroy article
7 mentioned that that meeting dealt with criminal referrals.

8 MR. SIMON: But his question is whether you
9 discussed with Mr. Nussbaum, telling you that he had
10 discussed criminal referrals at the meeting.

11 MR. BRAUNREUTHER: I believe I asked a lot of
12 questions about this earlier and I thought the witness had
13 confirmed that as of March 3rd he understood from
14 Mr. Nussbaum that a meeting on September 29th regarding
15 criminal referrals had occurred.

16 MR. SIMON: I remember you asked the witness now
17 but I frankly don't recall the questions being stated with
18 that degree of precision because you were trying to explore
19 what the discussion was and a lot of that discussion had to
20 do with what the press statement was going to be as opposed
21 to the information in the Devroy article.

22 BY MR. BRAUNREUTHER:

1 Q Do you understand the question?

2 A Why don't we go through it again.

3 Q Is it true that as of March 3rd you understood
4 from Mr. Nussbaum that a meeting regarding criminal
5 referrals had taken place on September 29th?

6 A Yes. My hesitation has been, my recollection of
7 our March 3rd meeting is that it was to discuss what we
8 were going to be doing that day about all of these
9 contacts. I believe that the article discussed that there
10 was the Hanson-Nussbaum meeting that had mentioned the
11 referrals. And I don't believe I had a conversation with
12 Nussbaum before the 3rd to that effect, but on the 3rd that
13 was the subject of our discussion, of what we were going to
14 say to the press that day about all of these meetings.

15 Q Okay. Now, with that information, did you ever
16 ask Mr. Nussbaum or Mr. Sloan how it was that in the
17 meeting on October 14th where the issues of criminal
18 referrals were mentioned at some length as reported -- as
19 raised by a reporter, why in the course of that discussion
20 hadn't they revealed that they had been notified --

21 MR. BRAUNREUTHER: There's a beeper going off.
22 I'll rephrase the question. Need to make a call.

1 THE WITNESS: Yes.

2 (Discussion off the record.)

3 BY MR. BRAUNREUTHER:

4 Q At the bottom of 1047, there's an entry which
5 reads, and these are your notes, reads "wants to know who
6 endorsed checks." Do you recall whether -- can you explain
7 what that entry means?

8 A I believe it means that Jeff Gerth, the New York
9 Times reporter, wants to know who endorsed the cashier's
10 checks that's described in the paragraph preceding.

11 Q And in response to that, do you recall whether
12 anybody, including Mr. Lindsey, offered any facts which
13 would be relevant to that inquiry?

14 A I don't from the meeting. I have reviewed
15 Mr. Lindsey's memorandum that discusses the checks, the
16 parenthetical remark, but I don't recall from the meeting.

17 Q So based on your own recollection, your depiction
18 of this meeting is essentially someone reporting a press
19 inquiry with little or no input or response from others who
20 were in participation at the meeting?

21 A Right.

22 Q You don't recall Cliff Sloan having made any

1 comments at the meeting?

2 A I don't remember Cliff or Neil participating in
3 the meeting.

4 Q They were present, but not participating?

5 A Correct.

6 Q And you don't recall that Jean Hanson was even
7 present?

8 A Right.

9 Q And as far as Mr. Nussbaum goes, you don't recall
10 him making any specific remarks at the meeting?

11 A As I've said, I remember Lindsey, DeVore and
12 Nussbaum as the participants, key participants at the
13 meeting. I can't recall the specifics of what Mr. Nussbaum
14 would have said.

15 Q Do you recall anything that Mr. Lindsey said at
16 the meeting?

17 A I don't recall the specifics of what any one
18 person said at this meeting.

19 Q And therefore you don't recall anything that
20 Mr. Nussbaum said?

21 A Correct. What I recall most is Mr. DeVore
22 talking about the Early Bird system.

1 Q Now, Mr. Lindsey's memo, document 1179 apparently
2 was cc'd to yourself, Mr. Kennedy and Ms. Williams. Did
3 you receive a copy of the memo shortly after its
4 preparation on October 20th?

5 A I don't know when I received it. It was in my
6 files when I produced it for the grand jury.

7 Q Do you know whether -- and that would be a result
8 of the cc that it ultimately ended up in your files;
9 correct?

10 A One would suspect, yes.

11 Q Do you recall whether Mr. Kennedy actually
12 received a copy of the memo?

13 A I have no idea.

14 Q Who is Mr. Kennedy?

15 A Mr. Kennedy is one of the associate White House
16 counsels.

17 Q Now, the cc list also includes Maggie Williams.
18 Who is Maggie Williams?

19 A Maggie Williams is the chief of staff to the
20 first lady.

21 Q Do you have any reason, can you give me any
22 insight as to why Maggie Williams would be cc'd on a memo

1 with respect to this particular matter, that being the
2 Madison/Whitewater case?

3 A I don't -- I do not know why Bruce would have
4 cc'd those individuals.

5 Q Now, you have produced a telephone log marked
6 1052 which reflects a call from Roger Altman on 9/24/93; is
7 that correct?

8 A Correct.

9 Q Do you recall -- let me ask you this: I assume
10 that you have had many phone calls with Roger Altman on
11 different subjects over the last five or six months --
12 during the relevant period here?

13 A Not over the course of the last five or six
14 months, but in the administration up until March or so.
15 Mr. Altman was in the White House leading the effort, in
16 the summer, of the budget reconciliation. He was the lead
17 player in the White House and we used him frequently for
18 television show appearances on health care.

19 In this period of time, in the fall, NAFTA was
20 the major legislative agenda for the president and
21 Mr. Altman was a frequent surrogate for the president, key
22 administration official.

1 Q I assume you have many telephone log entries with
2 his name on it?

3 A I don't recall how many I had. I think for the
4 purposes of the subpoena it was in and around certain dates
5 that were requested, that we provided that were of
6 relevance.

7 Q Having produced this document, does this reflect
8 any inclination in your mind that this particular telephone
9 call on September 24th relates to the matters which were
10 the subject of the document production request?

11 MR. SIMON: I think, just so the record is clear,
12 the subpoena that was issued by the independent counsel
13 which gave rise to the production of this document
14 solicited all contacts with specific, named individuals,
15 and I believe Mr. Altman's name was one of the names so
16 that it had nothing to do necessarily with the specific
17 subject matter. Since Mr. Gearan -- we took responsibility
18 for the production which is why I'm interjecting.

19 BY MR. BRAUNREUTHER:

20 Q Maybe we can get -- we should draw no inference
21 from the fact that you produced this document that it
22 relates in any way to the subject relating to this

1 deposition?

2 A Right. I don't recall speaking to him at that
3 time. Again, that's a phone log of a message received, not
4 of a call made.

5 MR. SIMON: Since Mr. Gearan could not recall the
6 conversation, that was produced rather than withheld.

7 BY MR. BRAUNREUTHER:

8 Q Documents 889 and --

9 MR. SIMON: Just so I can also make it clear, it
10 may help you. These are messages that are -- this is a
11 record of calls that are messages that are left, that are
12 not necessarily a record of calls that are connected to,
13 that are put through to Mr. Gearan. So that this is not a
14 call log in that sense. It's really more of a message log.

15 BY MR. BRAUNREUTHER:

16 Q You've also produced two documents, 889 and 890,
17 which appear to be another portion of your telephone log.

18 A I don't know if that's mine.

19 Q I'm sorry. It's telephone log for Dee Dee
20 Myers.

21 MS. HAMMERSCHMIDT: I was going to say we don't
22 have those numbers.

1 BY MR. BRAUNREUTHER:

2 Q On page 890 of this document, which appears to be
3 from Ms. Myers's telephone logs, there's some handwriting
4 on the bottom of the page. Do you recognize it to be
5 Ms. Myers's handwriting?

6 A Yes, I do.

7 Q There's an entry under Bruce Lindsey or next to
8 Bruce Lindsey and down a little bit which states --

9 MR. SIMON: Counsel, could we first make it
10 clear, have you ever seen that before?

11 THE WITNESS: No.

12 BY MR. BRAUNREUTHER:

13 Q There is an entry which reads as follows:
14 "Subject: Altman meeting broader. Altman mentioned that
15 he was thinking about recusing." And it's dated March 3rd
16 at the top of the column. Does that refresh your
17 recollection at all as to whether or not you participated
18 in any discussions in which Mr. Altman's recusal was
19 mentioned on March 3rd?

20 MR. SIMON: I don't recall the question.

21 BY MR. BRAUNREUTHER:

22 Q Let me make it clear. This appears to be a note

1 from Dee Dee Myers?

2 A On her call sheet.

3 Q I'm merely asking you whether the fact that
4 Dee Dee Myers was, on March 3rd, was dealing with this
5 issue, whether it refreshes your recollection that on March
6 3rd you were also dealing with this issue?

7 A No, it doesn't, it does not.

8 Q Let me show you Exhibit 1055 which does appear to
9 be your personal schedule for October 14th, 1993.

10 A That's correct.

11 Q And there's an entry appearing in your log which
12 states "meeting in Bernie's office, Cliff, Josh, Jack
13 DeVore." Is that the meeting that you've been discussing
14 which occurred on October 14th?

15 A Yes, it is.

16 Q And is it your testimony that that entry would
17 have been made in your schedule by your assistant, Mr. --

18 A Cohen.

19 Q -- Cohen?

20 A Yes, it is.

21 Q Let me direct your attention to the period prior
22 to February 24th, when Mr. Altman gave testimony before the

1 Banking Committee of the Senate. Do you recall during the
2 weeks or days leading up to the hearing that there was some
3 attention within the White House given to preparation for
4 those hearings?

5 A No.

6 Q Were you in any way involved in any meetings or
7 discussions regarding Mr. Altman's upcoming testimony
8 scheduled for February 24th?

9 A No.

10 Q You testified earlier that Mr. Podesta was made a
11 point man with respect to the hearings and in -- was made a
12 point man. Why don't you describe for me what he was a
13 point man for and when he was so assigned?

14 A He was a point man for Whitewater generally. I
15 think it was the end of January or so as I recall.

16 Q And was it Mr. McLarty who would have given him
17 that assignment?

18 A Yes.

19 Q Is it reasonable to infer from the fact that a
20 point man is assigned to Whitewater that this had drawn
21 some significant attention in the White House at that time?

22 A That Whitewater had drawn a significant -- I

1 think there was. It should come as no surprise to anyone
 2 that by that point in time there are many articles, the
 3 appointment of the independent counsel and I think it was
 4 the judgment that we needed that localized person to deal
 5 with issues.

6 Q Without drawing any unfair -- any conclusions as
 7 to the underlying case from the fact that it has drawn
 8 people's attention, isn't it true that in January and
 9 February this was a large item on the radar screen of the
 10 White House?

11 MR. SIMON: Counsel, I'm having trouble here only
 12 because I don't -- the same problem I had with majority
 13 here. My concern is that you are asking questions
 14 concerning the inner workings of the White House. The
 15 resolution is probing for White House contacts with
 16 Treasury and I know that that has been an issue of press
 17 contact and that has been -- that it was an issue of press
 18 comment beginning in March. And maybe even beginning after
 19 Mr. Altman's testimony. But whether the relationship -- it
 20 seems to me that we're going far afield if you are asking a
 21 question which is designed to determine whether anything
 22 other than Treasury contacts may have had something to do

1 with Mr. Podesta's assignment as the point person.

2 MR. BRAUNREUTHER: I respectfully disagree with
 3 you. The significance of the Whitewater matters during
 4 January and February to the administration is highly
 5 relevant to putting in context certain events which
 6 occurred during that period regarding White House-Treasury
 7 contacts. And I am very comfortable with not going into
 8 the underlying Whitewater case or trying to probe on other
 9 strategic or tactical steps that were taken by the White
 10 House outside of the particular matter.

11 But to develop a general sense of the importance
 12 of this issue to the administration during that period of
 13 time --

14 THE WITNESS: Let me just say -- let me answer.

15 BY MR. BRAUNREUTHER:

16 Q There shouldn't be a great mystery about this. I
 17 don't think this is a point that can really be denied. I
 18 would like to develop it so that it's clear.

19 A Let me just say, after the appointment of the
 20 independent counsel, Mr. Fiske, in January in a
 21 communications sense the press inquiries were negligible
 22 because, of course, at that point in time, all the

1 questions would have to be deferred until Mr. Fiske's
2 reports.

3 So from my perspective in my work in the White
4 House in that period of time before the subpoenas and once
5 Fiske was appointed, it was less of an issue than it had
6 been before that.

7 Q Less of a press issue?

8 A Yes.

9 Q But in terms of there will be a time when
10 Mr. Fiske's investigation is concluded and there is a story
11 there which inevitably will have to be addressed, at least
12 on a press level if not a political level; is that right?

13 A I don't understand.

14 Q I'm looking for your -- withdrawn.

15 There was a White House Whitewater team set up in
16 January and February of 1994; is that right?

17 A As I've said, we have in the White House decided
18 on, with specific issue areas in the instance of
19 Whitewater, to have a point person localized in the White
20 House who is most knowledgeable about --

21 Q Was there just a person or was there a number of
22 individuals assigned to a Whitewater team?

1 A Well, there was the person, in the fall
2 Mr. Lindsey and late winter Mr. Podesta, different people
3 might have assisted him from time to time.

4 Q Beyond that, you have no information as to who
5 the particular individuals were who were assigned to this
6 Whitewater team?

7 A Well, I'm just hesitating because of the notion
8 of the formalized nature of it.

9 Q Informal?

10 A Yes.

11 Q Let's take an informal team.

12 A There was the White House counsel's office
13 depending on what the issues were.

14 Q Who within the White House counsel's office was
15 designated to be a part of this Whitewater team?

16 MR. SIMON: Counsel, I'm trying -- again, I'm not
17 trying to interfere here. Let me just have a moment to
18 think about this. Your explanation was perfectly
19 acceptable to me when you gave it a few minutes ago. And
20 my only concern here is I'm just very concerned about the
21 issue of pertinence. I don't want us to appear to be
22 waiving any objection with respect to pertinence.

1 Give me one second to confer with my co-counsel
2 and my client.

3 (Witness conferred with counsel.)

4 MR. SIMON: I think we can try to. In order to
5 assist you obtaining the information that you want try to
6 go down this road, but we would appreciate a great deal of
7 care so that we don't get into issues that do not directly
8 relate to White House-Treasury contacts, but in terms of
9 individuals at the White House who may have had some
10 contact with the Whitewater issue, in response to specific
11 questions from you, Mr. Gearan is perfectly willing to try
12 to answer that.

13 BY MR. BRAUNREUTHER:

14 Q My question is simply, was there a team who was
15 on it and what were their roles?

16 A Okay. I guess the most accurate way to answer
17 that question is to ask the question at what point in
18 time. During the fall after this meeting and when there
19 were inquiries about Whitewater, reporters would, with
20 increasing regularity, call Mr. Lindsey directly because he
21 was most knowledgeable about the specific answers of
22 matters, particularly because it related to Arkansas and

1 Governor Clinton's tenure and the personal finance
2 questions relating to the Clintons. So Bruce Lindsey was
3 working on that. If a reporter called me, I would
4 frequently route them directly to Mr. Lindsey or that was
5 pretty much through the fall.

6 In 1994 as these topics became more and more in
7 the public venue, George Stephanopoulos would be involved
8 in discussions of this; David Gergen, myself, Mr. Nussbaum
9 or Klein from counsel's office. John Podesta. It was less
10 formal than your question might hint at, but those were the
11 people that would have been involved in discussions of
12 various aspects mainly in the fall and up until the
13 appointment of Mr. Fiske. And since the subpoena I have
14 not been active in that.

15 Q How about members of the White House counsel's
16 office, and in particular Mr. Eggleston, was he assigned,
17 to your knowledge, to play a role on the Whitewater
18 response informal team?

19 A He was; Klein and Nussbaum and Eggleston I would
20 say would be the three from the counsel's office that I can
21 say would be the most obvious and active participants in
22 any kind of group that would meet to discuss it.

1 Q Okay. Now, to your knowledge, did one of the
2 things that the group of people who were working on this
3 issue come to address was the upcoming hearings before the
4 Senate committee on February 24th?

5 A Not that I was party to.

6 Q So if that occurred, it's outside your realm of
7 knowledge?

8 A Correct.

9 Q And it's your testimony that you absolutely had
10 nothing to do whatsoever with preparations which may or may
11 not have occurred before the February 24th hearing?

12 A Not that I can recall. You mean in preparation
13 of Mr. Altman's testimony?

14 Q Yes.

15 A Not that I can recall.

16 Q Did you or anyone in your staff, to your
17 knowledge, receive a copy of proposed questions and answers
18 which were a part of a briefing book in preparation for
19 Mr. Altman's testimony?

20 A No, I don't believe so.

21 Q After the hearings on February 24th, at some time
22 did you become aware that there was concern about the

1 accuracy of Mr. Altman's testimony?

2 A At some point I did. I can't tell you the time
3 line of it.

4 Q The hearings were on a Thursday, February 24th?

5 A Right.

6 Q Do you recall whether -- well, when could you
7 best pinpoint your first notice that there was a concern,
8 if there was a concern, about Mr. Altman's testimony?

9 A I'm very bad at pinpointing a date like this with
10 any accuracy. I can't give you a very good time line of
11 when -- you mean the White House concerns about the Altman
12 testimony, is that what you are saying?

13 Q Yes, my sense of it is there was, and I think
14 there has been, evidence in the record that there was
15 concern by some individuals within the White House about
16 the accuracy of Mr. Altman's testimony?

17 A Uh-huh.

18 Q And that at least during the week or the week
19 following his testimony up until the subpoena was served,
20 that there was some substantial activity within the White
21 House with respect to that matter. And I'm asking whether
22 you personally became aware of it and if so approximately

1 when.

2 A I don't believe I was at a meeting to discuss it
3 or review the testimony or suggest clarification or
4 anything like that.

5 Q So to your knowledge, you didn't participate in
6 any discussions regarding the communications aspect of
7 handling these concerns which apparently developed within
8 the White House?

9 A I don't believe so.

10 Q Did you get involved at all in press inquiries
11 regarding Mr. Altman's recusal which occurred on
12 February 25th?

13 A No.

14 Q Do you recall how it was that you first became
15 aware that Mr. Altman had recused himself?

16 A I believe George Stephanopoulos told me.

17 Q And when was that?

18 A It was at the time, contemporaneous with when he
19 did it. I remember him telling me that he told, that he
20 Roger, had told Howell Rains that he was recusing himself.

21 Q And what did Mr. Stephanopoulos say to you?

22 A That was pretty much it. That was the report

1 that it had been told to The New York Times first.

2 Q And what was Mr. Stephanopoulos's view of
3 Mr. Altman first making his recusal public through The New
4 York Times?

5 A I don't know verbally what his, I don't recall
6 any kind of verbal sense that I got from George about it.
7 My view, I can remember my view is that it seemed that the
8 presidential appointee would have notified the White House
9 before The New York Times.

10 Q In substance, that's what Mr. Stephanopoulos's
11 complaint was, that it seemed inappropriate?

12 A I don't know that he complained. I know I felt
13 that way from that conversation. Whether he said it or I
14 felt it, I can't --

15 Q Was there any expression of dissatisfaction with
16 the fact that Altman had recused himself without consulting
17 with the White House?

18 A Not that I -- no, not that I'm aware of.

19 Q Did you speak with Mr. Podesta at any time during
20 the period from late January when he received his -- which
21 is approximately when he received his assignment on this
22 matter, up until approximately March 1st regarding

1 Mr. Altman's testimony and the Senate hearings?

2 A I don't believe so. I don't think I was a part
3 of that. I mean the Altman piece of it. I don't believe
4 so.

5 Q Did you speak to Mr. Altman at any time during
6 that period?

7 A No.

8 Q With respect to anything having to do with
9 Whitewater?

10 A No.

11 Q Or the Madison case?

12 A I don't believe so, no.

13 Q Now I believe you described earlier that
14 Mr. Klein from White House counsel's office took a role in
15 questioning individuals during the week of February 28th
16 through March 4th regarding Treasury-White House contacts;
17 is that right?

18 MR. SIMON: I don't think that's what he said.

19 THE WITNESS: I don't think. What I think I've
20 said is that on March 1st when Ann Devroy called me, I told
21 Mr. Podesta about the call and then I was paged. I was up
22 on the Hill, I came back to the White House to Mr. Klein's

1 office, that's when we discussed the October 4th meeting.
2 On the 1st I reported I think preliminarily to Ann who was
3 working also the next day. I think it was probably the
4 next day that one of those individuals told me that the
5 September 29th meeting was going to be also disclosed to
6 The Washington Post.

7 BY MR. BRAUNREUTHER:

8 Q So that decision was made before you were
9 notified of it?

10 A Yes.

11 Q And you didn't play a role in whatever
12 analysis --

13 A No.

14 Q -- was --

15 A What that meeting was, no.

16 Q Involved?

17 A No. But I'm not aware that Mr. Klein questioned
18 people.

19 Q How would you describe the role that Mr. Klein
20 played during that week with respect to Mr. Altman's
21 testimony and more broadly, the White House-Treasury
22 contacts?

1 A I think his role was as the White House deputy
2 counsel. He was, in the contact that I had with him -- I
3 don't know what he was doing before that, but in the
4 contact I had with him was to work to produce the facts
5 about the meeting, to try to pull people together that were
6 knowledgeable about it.

7 Q Okay. So to your knowledge, Mr. Klein was tasked
8 to develop the facts and pull people together to develop an
9 understanding of facts?

10 A No. I don't know that he was tasked to do
11 anything.

12 Q Whether he was tasked to do it, was he doing it?

13 A Here's what I know. I told Podesta after the
14 Devroy call. I was paged on the Hill to go back to Joel
15 Klein's office.

16 Q This is on March 1st?

17 A Correct. I believe Podesta was there in the
18 office and that's when we were discussing the March -- the
19 October 14th meeting.

20 MR. SIMON: Did you have any discussion with him
21 about Mr. Altman?

22 THE WITNESS: No. It was -- my discussion with

1 Klein, and Podesta that day was localized solely to the
2 October 14th meeting.

3 BY MR. BRAUNREUTHER:

4 Q Okay. Focusing your attention on this meeting
5 which occurred on March 1st with Mr. Klein and Mr. Podesta,
6 where did the meeting take place?

7 A In Mr. Klein's office.

8 Q How long did it last?

9 A It was not a long meeting. I don't know, 10 or
10 15 minutes I would suspect.

11 Q What were the subjects that were discussed?

12 A The subject that we discussed was the
13 October 14th meeting.

14 Q Aside from discussing the October 14th meeting,
15 was anything else discussed between yourself Mr. Klein and
16 Mr. Podesta on March 1st in this meeting?

17 A No, I don't believe so. The meeting was what are
18 we going to do -- what are the facts, what are we doing to
19 prepare to answer Ann Devroy's questions.

20 Q Did you understand why Mr. Klein and Mr. Podesta
21 in particular were involved in addressing this issue?

22 A Well, I understood Mr. Podesta was involved in

1 the issue because as I've said, he was the point person --

2 Q The point man.

3 A -- on that. I don't know how Mr. Klein got
4 involved in this.

5 Q Did anyone at any time during that meeting
6 discuss concerns about the accuracy of Mr. Altman's
7 testimony?

8 A No, no. As I've said, this meeting was what I
9 needed to get together to answer Devroy about the 14th.
10 She was not asking me about the Altman meeting.

11 Q No, Mr. Altman's testimony and concerns about his
12 testimony related back to the fact that he had not
13 disclosed certain meetings; correct?

14 A Correct, but my questions from Devroy concerned
15 the October 14th meeting which was the subject of my March
16 1st meeting in Joel Klein's office.

17 Q Did you understand at that time that one of the
18 problems with the October 14th meeting was that Mr. Altman
19 had not disclosed it in the course of his testimony in the
20 previous week to the Banking Committee?

21 A I had understood that The Washington Post was
22 approaching this as an RTC contact with the White House

1 because that was the first question that Ann Devroy posed
2 to me.

3 Q An undisclosed contact?

4 A Yes.

5 Q I mean, did you have -- was this in a vacuum, the
6 discussion about the October 14th meeting -- well, let me
7 be clear. Was it simply because the press, Ann Devroy, had
8 inquired about it or was it the fact that Mr. Altman had
9 purported to testify about contacts the previous week --

10 A No.

11 Q -- and omitted to mention October 14th and
12 September 29th?

13 A It was solely because Ann Devroy asked me about
14 it.

15 Q So did you understand that Mr. Altman had
16 testified the previous week about these very same matters
17 and had not disclosed this meeting?

18 A I understood Mr. Altman had testified before. I
19 never thought of this, as I said, and was reported in The
20 Washington Post that this was an RTC meeting. My
21 recollection of this meeting, as I've testified here, is it
22 was a meeting with Treasury about press inquiries. I did

1 not even recall Jean Hanson at the meeting.

2 Q So as far as --

3 A So it didn't -- you see what I'm saying.

4 Q There was no connection -- when you were in that
5 meeting with Mr. Klein and Mr. Podesta, as far as you were
6 concerned, this had nothing to do with the accuracy of
7 Mr. Altman's testimony or any omissions he may have made
8 when he testified with respect to these meetings?

9 A Correct. I saw this as the Post reporter seeing
10 this as another White House contact with the RTC.

11 Q And no one --

12 A And that's how it was going to be reported.

13 Q And no one in your presence discussed that there
14 was any ongoing plan to contact Mr. Altman regarding the
15 accuracy of his testimony?

16 A Not at that meeting, no.

17 Q Aside from that meeting?

18 A No, no.

19 Q Not at all?

20 A Right.

21 Q Did you know that Mr. Podesta was designated as
22 an individual to contact Mr. Klein -- excuse me, contact

1 Mr. Altman on the evening of March 1st to alert him to
2 certain concerns that the White House had about his earlier
3 testimony?

4 A No.

5 Q Did you know up until today that Mr. Podesta had
6 had a conversation with Mr. Altman --

7 A No.

8 Q -- on March 1st?

9 A No.

10 Q Are you completely unaware of any contact the
11 White House had with Mr. Altman during this time frame?

12 A I am aware that Mr. Podesta has been subpoenaed
13 and is presenting testimony and that he was the Whitewater
14 point person, but I have no personal knowledge of his
15 contacts with Mr. Altman.

16 Q And at least up until March 4th -- and I'm not
17 suggesting something happens after it, that's different --
18 at least up to March 4th, did you have any notice that
19 there was any White House concern about the accuracy of
20 Mr. Altman's testimony?

21 A You know, I can't recall a specific meeting or
22 conversation about that.

1 Q The record indicates, would suggest --

2 MR. SIMON: Wait. Are you finished with your
3 answer?

4 THE WITNESS: Yes.

5 BY MR. BRAUNREUTHER:

6 Q The record indicates, viewed at some length,
7 could suggest that there was substantial activity within
8 the White House during that week regarding the accuracy of
9 Mr. Altman's testimony and the need to develop the facts
10 accurately to at least respond to press inquiries, if not
11 more. And I take it from what you've said that, aside from
12 relating your own recollection of the October 14th meeting,
13 you were unaware of that general process?

14 A I don't recall personally participating in it. I
15 have no reason to doubt that the testimony as presented is
16 contrary or that it happened.

17 Q I'm not saying that the testimony suggests that
18 you were involved personally and I'm not suggesting that
19 any particular answer is appropriate or inappropriate
20 here. I'm merely questioning you about whether or not you
21 have your own recollections of such events at that time.

22 A I do not.

1 Q Do you recall attending a meeting on March 1st
2 with Joel Klein and Bernie Nussbaum in Mr. Podesta's
3 office?

4 MR. SIMON: About the White House contacts with
5 Treasury or is there some other meeting?

6 BY MR. BRAUNREUTHER:

7 Q About the issues I've been describing, in
8 particular that an earlier meeting had occurred with these
9 individuals, Joel Klein, Bernie Nussbaum, John Podesta and
10 others, where there had been a broader discussion of these
11 issues?

12 A Of the Altman issues?

13 Q Yes.

14 A In Mr. Nussbaum's office?

15 Q In Podesta's office.

16 A I don't recall that.

17 Q I don't have a specific recollection, but if a
18 Mr. Sloan had suggested that there was a meeting -- well,
19 withdrawn. I don't want to be suggesting other witness's
20 testimony.

21 You don't recall meeting with Mr. Nussbaum in
22 Mr. Podesta's office or with Mr. Sloan in Podesta's office

1 on the afternoon or evening of March 1st; correct?

2 A Regarding?

3 Q Regarding anything.

4 A No, I don't recall that specific meeting.

5 MR. SIMON: Can you excuse me just one second?

6 (Witness conferred with counsel.)

7 BY MR. BRAUNREUTHER:

8 Q Aside from the meeting that you have described to
9 us, you don't recall any further meetings on the subject on
10 March 1st?

11 A I don't.

12 Q Did you discuss the October 14th meeting at any
13 time with Mr. Stephanopoulos?

14 A I believe the day the Post story ran, I talked to
15 him, you know, I generally reviewed the news with him in
16 the morning.

17 Q That would be March 3rd?

18 A Right. But that would have only been in that
19 context. I did not talk with him around the 14th, I don't
20 believe or since then, about it. It would only have been
21 in the context of the Devroy article that I would have
22 talked to him about it.

1 Q Did you mention in the course of your discussion
2 with Mr. Stephanopoulos your recollection of the events of
3 the October 14th meeting?

4 A I don't recall whether I did or didn't. The
5 conversations then were, at that point, would have been
6 what we were responding to The Washington Post with, what
7 we were saying to the reporters about what the meetings
8 were. I did not have a detailed conversation with him,
9 that I can recall, about the subject matter of the meeting
10 or the contents of the meeting.

11 Q We talked earlier about a Whitewater team and for
12 want of a better term, I'm going to call it a Whitewater
13 response team. Do you recall whether Ms. Maggie Williams
14 participated in that team effort?

15 A From time to time.

16 Q Do you know what her particular function would be
17 at this kind of a meeting?

18 A Well, she's assistant to the president and one of
19 the staff members that would, from time to time, be called
20 in to discuss issues like this of concern to the president
21 and first lady.

22 Q Doesn't she have a particular role with respect

1 to the first lady?

2 A Oh, yeah, she's the chief of staff to the first
3 lady. My only point is she's a senior staff member to the
4 White House as an assistant to the president.

5 Q As chief of staff to the first lady, is it fair
6 to say that, as a general matter, she attends meetings as a
7 representative of the first lady to --

8 MR. SIMON: Are you asking why she's going to
9 meetings or why she's invited to meetings?

10 BY MR. BRAUNREUTHER:

11 Q We've already established that she did attend or
12 she did participate on some level with the activities of
13 the Whitewater response team; correct? And I think we
14 established at some earlier point that some people, as a
15 general matter, have specific roles in the administration
16 and part at meetings?

17 A Sure.

18 Q Because she brings diverse insight into a
19 multifaceted issue --

20 A Sure.

21 Q -- is that fair? I'm trying to be as broad as
22 possible. Now with respect to Maggie Williams, is it fair

1 to say that her particular contribution or purpose for
2 being in the meeting would relate in some manner to her
3 role as chief of staff of the first lady?

4 A A part of it. The other part would be she is
5 very skilled, having served as director of communications
6 for the Children's Defense Fund and as a member of the
7 senior staff, her input is frequently sought because of her
8 expertise in that regard and savvy. And so that's why I
9 said, as assistant to the president, because, among the
10 senior staff members, she would be -- it would be typical
11 for her to be brought in.

12 Q When you were a member of this response team
13 correct?

14 A From time to time, yes.

15 Q What was your personal understanding as to why
16 Maggie Williams was brought into these meetings of the
17 Whitewater response team?

18 A Well, the Whitewater issue dealt with financial
19 issues associated with both the president and
20 Mrs. Clinton. In that regard Maggie's responsibilities in
21 the White House as chief of staff to the first lady seemed
22 appropriate to me that she was there.

1 Q To represent the interests of the first lady with
2 respect to --

3 MR. SIMON: Counsel, I really got to get, I
4 really got to draw it down. There is no indication that
5 Ms. Williams, at least that I'm aware of, had any contact
6 with the Treasury Department. You may know something more
7 than I do, but it just seems to me --

8 MR. BRAUNREUTHER: Thanks.

9 MR. SIMON: -- we are really moving far away from
10 Treasury contacts and I really don't want, I don't want
11 Mr. Gearan going down this road and appearing to anybody to
12 waive his objection with regard to pertinency.

13 I'm going to object to that question and instruct
14 him not to answer that question because I think it's
15 going -- there is no way for me to judge how far we can
16 keep going down that road before I would be construed as
17 waiving it. I have to stop at this early point.

18 MR. BRAUNREUTHER: So just so the record is
19 clear, you are instructing the witness not to answer?

20 MR. SIMON: Yes, sir.

21 MR. BRAUNREUTHER: I'm not going to obstruct.
22 I'm not going to quarrel with you. If that's your

1 instruction to the witness, then I'll move on.

2 MR. SIMON: I mean, we are trying, just so the
3 record is clear, we are trying to answer all the questions
4 that are pertinent to the resolution. I believe we've done
5 that.

6 MR. BRAUNREUTHER: Here is my question, Counsel.
7 Are you instructing the witness not to answer the question
8 or not?

9 MR. SIMON: The pending question, yes, I am, sir.

10 MR. IVEY: And I didn't question further on this
11 area. Would you like me to ask four or five questions?

12 MR. SIMON: You have made great accommodation
13 earlier in the day to focus your questions more narrowing
14 where the pertinence is clear to her me or at least is
15 arguably to me, so I'm not going to rule out any further
16 questions from you on that.

17 MR. BRAUNREUTHER: Can I have the last question
18 read back, please.

19 (The reporter read the record as requested.)

20 BY MR. BRAUNREUTHER:

21 Q -- Whitewater matters. That's my question.

22 MR. SIMON: And I'm giving you that instruction.

1 MR. BRAUNREUTHER: Which is not to answer the
2 question?

3 MR. SIMON: Correct.

4 BY MR. BRAUNREUTHER:

5 Q I think you've answered this. I just want to pin
6 down that during the course of the October 14th meeting you
7 had no knowledge of the earlier September 29th meeting
8 regarding criminal referrals; correct?

9 A That's correct.

10 Q And I think you testified that your first
11 knowledge of the September 29th meeting didn't come until
12 early March?

13 A That's correct.

14 Q I wanted to show you the document X888, which is
15 dated March 3rd which we've talked about in the past. It's
16 a series of questions and I believe you testified that you
17 didn't play a role in developing those questions; is that
18 correct?

19 A Correct.

20 Q Did you participate in any discussions to develop
21 proposed answers to those questions?

22 A I don't recall a session to prepare for these

1 questions, no.

2 Q Okay. Thank you.

3 MR. BRAUNREUTHER: I have no more questions.
4 Thank you very much.

5 MR. SIMON: Counsel, do you have any further?

6 MR. IVEY: No.

7 (Whereupon, at 1:11 p.m., the deposition was
8 concluded.)

9

10

11

MARK D. GEARAN

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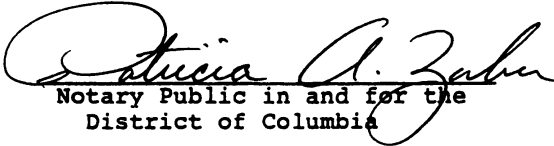
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CERTIFICATE OF NOTARY PUBLIC & REPORTER

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I, PATRICIA A. ZUBER, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken in shorthand and thereafter reduced to typewriting by me or under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and, further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.


Notary Public in and for the
District of Columbia

My Commission Expires JANUARY 31, 1995

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August 11, 1994

BY COURIER

The Honorable Donald W. Riegle, Jr.
Chairman
U.S. Senate Committee on Banking, Housing and Urban Affairs
534 Dirksen Senate Office Building
Washington, D.C. 20510-6075

Dear Mr. Chairman:

As you know, this firm represents Mark D. Gearan, Director of White House Communications, in connection with depositions and hearings being conducted by your Committee.

On Saturday, July 23, 1994, Mr. Gearan appeared voluntarily at a deposition before Committee Counsel and responded to all questions.

We have had the opportunity to review the transcript of that deposition and offer the following corrections.

1. Page 7, line 15, the gentleman's name is Don Baer.
2. Page 8, line 2, same correction.
3. Page 11, line 11, did not.
4. Page 32, line 15, in not at.
5. Page 45, line 16, delete "Whitewater."
6. Page 53, line 4, felt not feel.
7. Page 58, line 5, what not where.
8. Page 71, line 11, add the word "be" after she.

The Honorable Donald W. Riegle, Jr.
August 11, 1994
Page 2

9. Page 130, line 1, the correct date is October 14 not
October 4.

Thank you for your accommodation in this matter.

Sincerely,

Judith L. Hammerschmidt/bjg

Judith L. Hammerschmidt

**DEPOSITION OF JOEL I. KLEIN
IN RE: S. RES. 229**

SATURDAY, JULY 23, 1994

**U.S. SENATE,
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
*Washington, DC.***

Deposition of JOEL I. KLEIN, called for examination pursuant to notice of deposition, at 2:14 p.m. in the Hart Senate Office Building, Room SH-640A, before PATRICIA A. ZUBER, a Notary Public within and for the District of Columbia, when were present:

NEAL E. KRAVITZ, Esq.
Majority Deputy Special Counsel
DOUGLAS EPSTEIN, Esq.
Majority Counsel
JOSEPH G. BRAUNREUTHER, Esq.
Minority Deputy Special Counsel
RAYMOND NATTER, Esq.
Republican General Counsel
DOUGLAS R. NAPPI, Esq.
Republican Counsel
Committee on Banking, Housing, and Urban Affairs
U.S. Senate
On behalf of the Committee.

DAVID R. BOYD, Esq.
BETH M. BOLLINGER, Esq.
Corney Boyd & Luskin
1800 M Street, NW
Suite 575 South
Washington, DC 20036
On behalf of the Deponent.

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EXHIBITS

Joel I. Klein DEPOSITION NUMBER	IDENTIFIED
Exhibit 1 (S. RES. 229)	3, 155

1 PROCEEDINGS

2 Whereupon,

3 JOEL I. KLEIN

4 was called as a witness and, having first been duly sworn,
5 was examined and testified as follows:

6 (Klein Exhibit 1 identified.)

7 EXAMINATION

8 BY MR. KRAVITZ:

9 Q Mr. Klein, thank you for being here this
10 afternoon. Would you start by stating your full name?

11 A Joel Irwin, I-r-w-i-n, Klein, K-l-e-i-n.

12 Q Mr. Klein, as you know, you're here today for a
13 deposition that's been authorized by Senate Resolution
14 229. I've marked a copy of that resolution as Exhibit
15 Number 1 for purposes of the deposition. Have you had an
16 opportunity to review this document before?

17 A I have.

18 Q And do you or your counsel have any objection to
19 its being made part of the record as Exhibit Number 1?

20 A No objection.

21 Q Okay. Mr. Klein, how are you employed?

22 A I'm employed as deputy counsel to the president.

4

1 Q How long have you held that position?

2 A Since December 1st, 1993.

3 Q Could you give us just a brief overview of your
4 past experience as a lawyer.5 A Sure. After I got out of law school in 1971, I
6 did a variety of one-year jobs, clerkships and so forth.
7 Then I started private practice in 1976 at a law firm
8 called, then called Rekoven, Stern & Hoge. And I did that
9 until 1981, when I started a law firm with two colleagues
10 called, then called Onek, Klein & Farr. And essentially I
11 stayed with that firm and subsequent iterations until I
12 came to the White House in December of 1993.

13 Q And your educational background?

14 A I went to Columbia College and Harvard Law
15 School.

16 Q What year did you graduate from law school?

17 A I graduated in 1971.

18 Q What are your duties and responsibilities as
19 deputy White House counsel?20 A Well, I think I guess I would describe them
21 generally as I'm the principal person that interacts with
22 the counsel to the president. I have through agreement

5

1 both with formerly with Bernie Nussbaum and now with Lloyd
2 Cutler who is de facto counsel. I have taken care of areas
3 of interest that I've focused on and principally had more
4 responsibility, although in all matters I report to the
5 counsel for those areas, areas such as our relationship
6 with the Justice Department, with the agencies on
7 substantive policy issues.

8 I've had a variety of involvement, supervisory
9 involvement with issues relating to executive power and
10 independent agencies and things like this, issues that are
11 sort of in my area background, issues regarding, let's say,
12 the FBI, CIA, their interrelationship, those kinds of
13 things. Deal as well with the basic issues in the counsel
14 office. I sort of oversee the vetting process. I oversee
15 the selection of the judges process. I oversee the sort of
16 analysis of White House clearance which means people that
17 are cleared to work at the White House, which raises
18 questions about suitability and so forth.

19 And at various times, worked on various special
20 projects; recently, for example, Judge Breyer's
21 confirmation proceedings. That's an overview. In all of
22 these things, some matters, different people on the staff

6

1 will report to me and I will certainly report to the
2 counsel. On other matters, members of staff will report
3 directly to the counsel. And it is not a fixed structure.
4 Indeed, as we speak, it still evolves.

5 Q Do you report to anyone directly other than the
6 White House counsel?

7 A Not directly, no.

8 Q Do you report indirectly to anyone other than the
9 White House counsel?

10 A Well, there are various times when you might have
11 an individual in the White House that asks you to do a
12 particular assignment, and, for example, Mr. McLarty, when
13 he was chief of staff, would ask me to take on a particular
14 assignment, and I would report to him although I would
15 always notify Mr. Nussbaum or Mr. Cutler. But my -- really
16 in that sense I technically was under McLarty's direct
17 supervision.

18 Q I want to direct your attention to a period of
19 time before you joined the White House counsel's office.
20 The fall of 1993. Were you present at the White House on
21 September 29th, 1993 at any time?

22 A No, sir.

1 Q So you didn't attend a meeting that day between
2 White House and Treasury officials related to Madison
3 Guaranty?

4 A No, sir.

5 Q Were you present at the White House at any time
6 on October 14th, 1993?

7 A No, sir.

8 Q So you didn't attend a meeting on that date
9 between White House and Treasury officials related to
10 Madison Guaranty or Whitewater?

11 A No, sir.

12 Q Were you -- you were already employed at the
13 White House as of February 2nd, 1994; is that right?

14 A I was.

15 Q Were you present at a meeting that day at the
16 White House between White House and Treasury officials
17 related to Madison Guaranty and/or the Whitewater
18 Development Corporation?

19 A No, sir.

20 Q Did you know that such a meeting was being held
21 as of that day?

22 A No, sir.

1 Q Were you present on February 3rd, 1994 during the
2 conversation between Roger Altman and members of the White
3 House staff relating to Madison Guaranty and the Whitewater
4 Development Corporation?

5 A No, I wasn't.

6 Q Did you know that such a conversation was taking
7 place as of that day?

8 A I did not.

9 Q During the time period leading up to
10 February 3rd, 1994, did you personally have any
11 communications with officials of the Department of the
12 Treasury relating to the RTC's investigation of Madison
13 Guaranty Savings & Loan or the Whitewater Development
14 Corporation?

15 A No. With one caveat, which is a matter that I
16 think you may be -- if you are referring to this is a
17 matter of meeting -- the conversation I had with Gene
18 Ludwig, the comptroller of the currency, at Hilton Head.
19 Depending on how you want to characterize that, other than
20 that, I didn't have any discussions with anybody at the RTC
21 or the Treasury regarding the Whitewater or Madison matter.

22 Q Up till -- and I'm going to focus your attention

9

1 at the time period, going back to the beginning of time up
2 to February 3rd, 1994.

3 A And my answer is the same.

4 Q Okay. And I appreciate your clarification about
5 the conversation with Mr. Ludwig. I do intend to go into
6 that later. When did you first become aware that the
7 Resolution Trust Corporation was conducting investigation
8 into the possibility of bringing civil claims against --
9 not against, but involving the Madison Guaranty Savings &
10 Loan?

11 A I'm not going to be able to pinpoint a date for
12 you. It was whenever this was in the news and was being
13 discussed at the White House and elsewhere, that's when I
14 became aware of it, but I'm just not going to be able to
15 identify the date.

16 Q Was it in early 1994?

17 A If it was -- if that's when it was being -- at
18 some point, there were a series of sort of newspaper
19 articles and other things that the RTC was looking into the
20 possibility of civil claims growing out of the Madison
21 matter and then -- none of this is precise in terms of
22 dates or whatever in my mind. There were discussions about

10

1 the statute of limitations, there was a number of people on
2 the Hill who were raising concerns, writing letters and so
3 forth, about the ending of the statute of limitations
4 period. And it was in that time frame -- if you showed me
5 something that would pinpoint a date, I could tell you but
6 I don't have an independent recollection.

7 Q Okay. I could tell you about one piece of other
8 testimony to see if that refreshed your recollection.
9 Mr. Eggleston testified that in January of 1994 in response
10 to, in response to concerns raised from the Hill, he
11 conducted some legal research within the White House
12 counsel's office on the subject of the statute of
13 limitations and how that would apply to Madison. Does that
14 refresh your memory?

15 A It sort of does. It was -- Neil had done some
16 inquiry into that matter. I remember a brief discussion
17 with him about it, about the fact that there was statute of
18 limitations, the question of an extension of the statute of
19 limitations and things like that. And if he says it's in
20 January, I would be prepared to accept that representation.

21 Q Do you remember any discussions within the White
22 House during that time period January 1994, other than the

11

1 one you just referred to with Mr. Eggleston, on the subject
2 of the statute of limitations that would be applying to the
3 RTC's investigation relating to Madison?

4 A Again, except for the precise dating, I remember
5 there were several discussions I'm sure that I would have
6 been present at and involved with. There was, as I recall
7 it, a March 31st or it's either the end of February, end of
8 March. I believe it's probably the end of March. I could
9 be confusing the dates. It was a point where the statute
10 of limitations would have supposedly run out on claims with
11 respect to Madison. And then there was a discussion
12 because people were saying would the statute be extended,
13 would there be a tolling agreement, would there be a report
14 before February if that was the end of March. And there
15 were various discussions that I would have been present at
16 which -- again I don't have a distinct, clear recollection,
17 but that certainly occurred.

18 Q Do you recall that, as a result of the RTC
19 Completion Act which was enacted in December of '93, that
20 the statute of limitations for civil -- certain civil
21 actions in the Madison case was extended to February
22 28th, 1994?

12

1 A If you say February 28th, I'll accept that date.
2 It was either, in my mind, end of February, end of March.
3 That sounds right to me, yes.

4 Q And you recall discussions about that fact within
5 the White House in early 1994?

6 A Yeah, again, yeah.

7 MR. BOYD: "About that fact" meaning about the
8 act itself or the discussions he's described?

9 BY MR. KRAVITZ:

10 Q Well, about the passage of the RTC Completion Act
11 and the resulting extension of the statute of limitations
12 to the end of February.

13 A The run-out of the statute at the end of
14 February, I remember that discussion.

15 Q Who was involved in those discussions?

16 A Again, since I don't have a particular, you know,
17 meeting in my mind. But I would have had those discussions
18 principally with Bernie Nussbaum and with Neil Eggleston is
19 my recollection. I can't say that nobody else ever
20 discussed that with me. I might have had a discussion with
21 one of the press people about it or something like that,
22 but those are the people that, to the extent I would have

13

1 discussed it, I would have discussed it with principally.

2 Q Were Madison-related issues issues that you were
3 focusing on in early 1994? And by that, I mean January
4 1994.

5 A No. I'd say up until the president wrote
6 Attorney General Janet Reno requesting the appointment of
7 an independent counsel, I was involved with respect to some
8 of the Whitewater matters. After that date -- and, again,
9 I don't have it in my mind. It could be January 11th or
10 something like that and I'm probably wrong about it -- but
11 after that date I was no longer in any significant way
12 involved in so-called Madison stuff or the RTC civil
13 investigation or anything like that. I sort of moved on
14 after the independent counsel thing and began to focus more
15 heavily the issues of policy and our relationships with the
16 Justice Department and so forth.

17 Q Did there come a time after that that you
18 returned to the Madison issue and became more involved
19 again?

20 A Well, I got more involved, I would say, in two
21 things. First, after Roger Altman testified on February
22 24th, there were a series of events which I assume you want

14

1 to ask about.

2 Q Right.

3 A And the 25th, 26th, I was involved in that. Then
4 of course, in, I think it was on March 5th -- I think it
5 could have been March 4th -- we got a subpoena from
6 Mr. Fiske and I was principally responsible for responding
7 to the subpoena. And so since March 5th, certainly I have
8 had, in terms of subpoena compliance and related matters, I
9 have been involved in that, yes.

10 Q I want to go back again to the time period
11 actually leading up to February 2nd, 1994, and I recognize
12 this may have been a time period during which you were not
13 all that involved in Madison-related matters.

14 Did you have any discussions with Mr. Nussbaum
15 before February 2nd, 1994 on the subject of whether
16 Mr. Altman either should or was required to recuse himself
17 from RTC decisionmaking in the Madison case?

18 A Again, you have to understand, for me February
19 2nd had no particular meaning. I didn't know about this
20 meeting. Obviously since then, I've learned about it and
21 it now has some significance. I can't locate in time -- I
22 had discussions with Bernie about Roger Altman and recusal,

1 but I cannot locate in time when they were.

2 Q Let me, maybe -- I mean, I understand why you
3 can't locate it in time vis-a-vis February 2nd. Can you
4 remember whether your conversations with Mr. Nussbaum on
5 the subject of Mr. Altman's recusal or possible recusal
6 occurred before or after Mr. Altman actually recused
7 himself? And I can tell you that --

8 A Sure.

9 Q -- the record indicates that that occurred on
10 February 25th?

11 A Right. No, I can tell you that I had discussions
12 with Bernie Nussbaum prior to February 25th regarding
13 Mr. Altman's recusal, yes.

14 Q How many times did you discuss that subject with
15 Mr. Altman -- I'm sorry, with Mr. Nussbaum?

16 A Again, depending on how you describe a
17 discussion, but a few times, four, five times we might have
18 had some discussion that was related to the issue of
19 Mr. Altman's recusal.

20 Q What did -- can you recall about those
21 discussions with Mr. Nussbaum?

22 A Yeah, I remember a few things. I remember that

1 the people on the Hill were calling for him to recuse
2 himself. Simultaneously there was an issue regarding Ricki
3 Tigert, who was then be nominated for chair of the Federal
4 Deposit Insurance Corporation and the issue of her recusal
5 had been raised at her hearing and then subsequently she
6 had decided to recuse herself.

7 In that context, there were discussions that I
8 would have had with Bernie about the question of whether
9 people would recuse themselves, should recuse themselves
10 and those matters. And there are probably a few of them.
11 So anyhow let me -- why don't you follow up?

12 Q Did you take a position on whether or not Ricki
13 Tigert should recuse herself?

14 A I took the position with Bernie Nussbaum -- I
15 took the following position in our discussions and it's my
16 position generally, I think it's a very bad thing for
17 people to sort of go through these hearing processes, these
18 confirmation hearings and have other people extract sort
19 of -- a Senator extract a blanket recusal. That is
20 something that sort of politicizes the events and I think
21 is unfortunate. I took the position with Bernie that it
22 was certainly my hope that this issue wouldn't come up for

17

1 Ricki and indeed that she wouldn't be required, as a quid
2 pro quo for confirmation, to recuse herself. I did take
3 that position.

4 Q What was your opinion as to whether Ricki Tigert
5 should recuse herself just in the abstract? I mean, in
6 other words, not in the context of having her promise
7 extracted by a Senator at the confirmation hearing.

8 A My opinion on that, again, is I think that is a
9 decision that Ricki Tigert should make. If she feels that
10 she is not in a position to be impartial with respect to
11 any matter or that the law requires her with respect to any
12 matter to recuse, then she should make that determination.
13 I couldn't determine what her views were as to whether she
14 felt on any matter that she would be impartial or couldn't
15 be impartial, but that's my view of recusal. That would
16 have been my view with respect to Ricki.

17 Q What was your understanding of Ricki Tigert's
18 relationship with the president and/or Mrs. Clinton?

19 A I actually know something about that. Ricki
20 Tigert had a very minimal relationship. She had met the
21 president at Renaissance and saw him probably once a year
22 for a handful of years, half a dozen years at Renaissance

18

1 and maybe on one or two other social occasions. And I'm
2 sure, you know, she had a very high regard for him, but she
3 was by no means a close friend of the president or
4 Mrs. Clinton.

5 Q It was -- in your view, Mrs. Tigert's
6 relationship with the president was less of a -- was a less
7 close personal relationship than Mr. Altman's was?

8 A Oh, yeah.

9 Q You were testifying that your conversations with
10 Mr. Nussbaum regarding the subject of Mr. Altman's possible
11 recusal came up in the context -- at least at one time,
12 came up in the context of discussions whether Ms. Tigert
13 should recuse herself from FDIC matters. Can you tell us
14 what the conversations with Mr. Nussbaum were?

15 A As I say, there were these two people the Hill --
16 you had Ricki up before, I guess, whatever committee
17 confirms the FDIC chair. There were people on the Hill
18 calling for Roger's recusal. We were in the process at
19 that point of nominating, I believe, Jamie Gorelick to be
20 the deputy attorney general. And Bernie and I had several
21 conversations where we said the politics on this is getting
22 very ugly. It's going to be every time we nominate

1 somebody who is in any sort of law enforcement-type issue
 2 there's going to be a political fight over recusal and I
 3 was concerned about it, he was concerned about it.

4 Those discussions took place, as I say, I'm sure
 5 they probably took place at a morning meeting of the White
 6 House counsel staff. They took place between Bernie and
 7 me. They probably, you know, you'd read a newspaper
 8 article "Ricki Tigert recuses" or something like that.
 9 And, you know, and Bernie and I would sort of say that's
 10 unfortunate or it's not -- or that's life here in
 11 Washington, whatever.

12 Q During any of the conversations you had with
 13 Mr. Nussbaum relating to the subject of Mr. Altman's
 14 possible recusal, did you discuss the people who would be
 15 left behind at the RTC to make decisions in the Madison
 16 case in the event that Mr. Altman did recuse himself?

17 A Well, what we discussed or -- let me put it this
 18 way. Bernie said to me that he was aware -- I didn't
 19 particularly know this -- that if Roger recuses himself the
 20 people who would be in charge or the person who would
 21 probably principally be in charge would be Ellen Kulka and
 22 Bernie had worked with her in the Kaye, Scholer case when

1 he was in private practice and she, I guess, was at the
 2 RTC.

3 Q I think it was the OTS.

4 A OTS, exactly. I'm sorry. And he -- and in that
 5 context he had said that he knew her from his work in
 6 private practice and so that in that context we talked
 7 about who would be responsible for the investigation if
 8 Roger recused.

9 Q What did Mr. Nussbaum say about his view of
 10 Ms. Kulka as a result of his experience with her in the
 11 Kaye, Scholer case?

12 A He did not have a high regard for Ms. Kulka. He
 13 thought she was difficult to deal with and he had clearly a
 14 very unpleasant experience with her in the Kaye, Scholer
 15 matter.

16 Q Did Mr. Nussbaum give you any details about what
 17 was so unpleasant about the experience he'd had with her?

18 A No, just that, the things that I had said.

19 Q Did Mr. Nussbaum tell you that he thought
 20 Ms. Kulka was aggressive?

21 A The word that sticks out was "unpleasant,"
 22 difficult to deal with. Those are the phrases that are in

1 my mind. I can't, sitting here now, say whether he used
2 "aggressive" or not.

3 Q Do you remember whether Mr. Nussbaum described
4 Ellen Kulka to you as lacking judgment?

5 A Again, it may well be that he used the phrase
6 "lacking judgment," aggressive, sort of -- I mean, it was
7 clear to me that he had an unfavorable view of her, and
8 thought that she was not a fair, reasonable, easy --
9 professionally easy person to deal with, those things.

10 Now beyond that, again, I just don't want to
11 pretend that I have any particular word like "aggressive"
12 or "bad judgment" in mind, because I don't, which is not to
13 say he didn't say it.

14 Q Did Mr. Nussbaum tell you that he thought
15 Ms. Kulka would be unfair in the Madison case in the event
16 that Mr. Altman recused himself?

17 A I don't know if he said she would not be fair or
18 she would not be reasonable, but he said something like one
19 or the other or possibly both. I just can't be sure.

20 Q I'm going to show you a document and see if maybe
21 it will refresh your recollection as to what Mr. Nussbaum
22 said to you on the subject of Ellen Kulka and I don't know

1 whether you've ever seen this before. It's an FD 302
2 summary of an interview that you gave with the Office of
3 Independent Counsel. And it's OIC document number 307 and
4 it goes through page 311.

5 I'm going to show you the whole document, but I
6 think the part that I'd like to direct your attention to is
7 on the third page which is -- let me make sure I'm telling
8 you the right page -- the third page of this document,
9 which is OIC 309.

10 MR. BOYD: Just for the record, I asked
11 permission to review this in preparation for this
12 deposition and was denied that permission. I believe this
13 is the Document 302 report.

14 MR. KRAVITZ: You asked us for permission?

15 MR. BOYD: Yes.

16 MR. KRAVITZ: Okay, I wasn't aware of that. But
17 you certainly can review it now along with Mr. Klein.

18 (Witness reviewed the document.)

19 MR. BOYD: Can I just ask a question? There's a
20 blank spot on page 2. Is that a redaction or is that just
21 a blank in the way it was produced?

22 MR. KRAVITZ: I'm assuming it's a redaction,

1 although I don't know the answer to that.

2 MR. BRAUNREUTHER: I believe it's a redaction.

3 MR. KRAVITZ: This is what we were provided by
4 Mr. Fiske. I actually haven't been part of the discussions
5 between the Senate and the Office of Independent Counsel so
6 I don't know.

7 THE WITNESS: Let me ask you a question. It does
8 say, in this 302, the words that you quote about my
9 statement was to the Office of Independent Counsel and --

10 BY MR. KRAVITZ:

11 Q Maybe what I should do is ask you specific
12 questions as to whether this refreshes your recollection on
13 certain things. Does reading the FD 302 refresh your
14 memory as to whether Mr. Nussbaum told you that he found
15 Ellen Kulka to be aggressive?

16 A It doesn't independently refresh my recollection
17 right now, no.

18 Q And does reading the 302 refresh your memory as
19 to whether Mr. Nussbaum described Ellen Kulka as lacking in
20 judgment?

21 A Again, as I said he may well have. He said words
22 to that effect.

1 Q So certainly "lacking judgment" or "aggressive"
2 are terms that are consistent with the way Mr. Nussbaum
3 described Ms. Kulka to you during these conversations
4 you've testified about?

5 A Yes, sir.

6 Q Does looking at this 302 refresh your memory as
7 to whether Mr. Nussbaum told you that he thought Ellen
8 Kulka would be unfair in dealing with Madison-related
9 matters at the RTC in the event of Mr. Altman's recusal?

10 A Again, it doesn't refresh my recollection, but
11 that characterization is not inconsistent with my sense of
12 what he said to me.

13 Q And just so we're clear, this conversation or
14 these conversations that you and Mr. Nussbaum had about
15 Ellen Kulka were conversations that you had in the context
16 of who would be left in charge at the RTC in the event that
17 Mr. Altman recused himself from Madison-related matters; is
18 that right?

19 A I think that is, although I might have also had a
20 conversation with him more generally about her as being
21 general counsel but I think certainly it was my
22 understanding that, if Altman were to leave, that Ellen

25

1 Kulka would be the person who would play a role and that
2 Bernie had a concern about that. Absolutely.

3 Q And when you say that "Ellen Kulka would be the
4 person who would play a role," you mean play a role in
5 Madison-related decisions?

6 A Exactly.

7 Q Decisions that could affect the Clintons
8 personally and the White House as an institution?

9 A I was aware that she could have a role in
10 Madison-related decisions and I was aware of the issues
11 regarding the fact that a portion of the Madison issue
12 raised questions about the relationship between Madison and
13 Whitewater or Madison and the Clinton campaign and so
14 forth, yes.

15 Q Did you personally ever have any conversation
16 with Roger Altman on the subject of his recusal before
17 February 25th, the date that he actually announced his
18 recusal?

19 A I never met -- I never even met Roger Altman
20 before he -- first time I met him was a couple weeks
21 later. We were coming home from a ski vacation and we
22 bumped into each other on the plane. So the answer is no.

26

1 Q You never talked to him on the phone before
2 February 25th either?

3 A No.

4 Q You testified earlier that you could place these
5 conversations with Mr. Nussbaum in time by saying that they
6 were before Mr. Altman made his recusal decision on
7 February 25th?

8 A Right.

9 Q Can you give -- I mean, now that you've been
10 thinking back about them, do you have any sense as to at
11 least the window of time before?

12 A Oh, sure. I think it's probably sometime in
13 early February because that's when the Ricki Tigert matter
14 was around. So if you are trying to locate them in a
15 window, I would say certainly the first week, 10 days of
16 February sounds about right.

17 Q The only thing you can't do is say whether or not
18 it's before or after February 2nd in particular?

19 A Right.

20 Q As of the time that you had these conversations
21 with Mr. Nussbaum and discussed Mr. Altman's possible
22 recusal, did Mr. Nussbaum indicate to you his sense as to

1 what Mr. Altman was going to do?

2 A In early February you are talking about?

3 Q Right.

4 A The answer to that question is no.

5 Q Did Mr. Nussbaum tell you whether he had spoken
6 with Mr. Altman about whether Mr. Altman should recuse
7 himself?

8 A Sometime in early February -- I have placed this
9 approximately a week after February 2nd. I could be off by
10 a couple days -- but Mr. Nussbaum told me that there had
11 been a meeting with Mr. Altman or that a discussion -- I
12 think probably a meeting -- but at least a discussion in
13 which Mr. Altman had raised the fact that he was
14 considering whether to recuse himself or not.

15 Q And is that the way Mr. Nussbaum described it to
16 you?

17 A Yes.

18 Q What else did Mr. Nussbaum tell you about this
19 discussion?

20 A I think basically, as I recall the discussion,
21 Mr. Nussbaum said that Roger had come over to the White
22 House, there had been a meeting with Mr. Nussbaum and

1 several other people. I don't know if he identified the
2 people to me. That there was -- they had discussed several
3 matters relating to the statute of limitations and that
4 Roger had also said he was considering whether to recuse
5 himself and that was essentially all that Bernie said about
6 the matter.

7 Q Did Mr. Nussbaum tell you what his or others
8 response had been to Mr. Altman when Mr. Altman said that
9 he was considering recusing himself?

10 A He did not.

11 Q Did you get any sense from your conversations
12 with Mr. Nussbaum in February of 1994 whether anyone had
13 put any pressure on Mr. Altman not to recuse himself during
14 that conversation at the White House?

15 A I did not.

16 Q Did Mr. Nussbaum tell you that there was a
17 discussion, during this meeting when Mr. Altman talked
18 about his possible recusal, about who at the RTC would take
19 over the decisionmaking role in the event of a recusal?

20 A Again, I don't believe he said it in that
21 conversation. He may have, I don't believe he did. He had
22 said that, as I indicated before. But in that conversation

1 I don't believe he did.

2 Q So, in other words, you remember Mr. Nussbaum
3 talking about the RTC people with you personally, but you
4 don't remember whether Mr. Nussbaum told you that he had
5 discussed that with Mr. Altman?

6 A I'm quite clear that he did not tell me that he
7 had that discussion at this February 2nd meeting or in a
8 later discussion with Altman, right.

9 Q When you were speaking with Mr. Nussbaum in
10 February of 1994 about the subject of Mr. Altman's possible
11 recusal, did Mr. Nussbaum state an opinion to you as to
12 what he thought Mr. Altman should do?

13 A Did --

14 MR. BOYD: Nussbaum state Nussbaum's opinion?

15 BY MR. KRAVITZ:

16 Q Let me rephrase the question.

17 When you and Mr. Nussbaum spoke in February, 1994
18 about the question of whether Mr. Altman should recuse
19 himself, did Mr. Nussbaum tell you what Mr. Nussbaum's own
20 opinion was on the question?

21 A Yes.

22 Q What did he tell you?

1 A Mr. Nussbaum said that he didn't think that
2 Altman should be pressured to recuse himself; that if there
3 were a legal obligation to recuse, then Altman should
4 obviously follow what legal requirements, but that he
5 didn't think that he should be pressured by the media, by
6 Hill people or anyone else to recuse himself.

7 Q Did Mr. Nussbaum tell you that in his view unless
8 there was a legal requirement requiring Mr. Altman to
9 recuse that Mr. Altman shouldn't recuse himself from
10 RTC-related decisions, RTC decisions related to Madison?

11 A The only reason I hesitate, I'm not sure if he
12 said that unless there is a legal obligation he shouldn't
13 or he said that he shouldn't be pressured, because at this
14 point there were public calls for them. So I think it was
15 in the context of there's a lot of people pushing in one
16 direction and he's not -- Nussbaum says to me that, you
17 know, he shouldn't -- Altman shouldn't give in to that kind
18 of pressure, that's what he was saying to me, and it was in
19 that context. So I can't be more precise than that.

20 Q Did the conversations that you had with
21 Mr. Nussbaum in which Mr. Nussbaum told you his opinion of
22 Ellen Kulka come up in the context of Mr. Nussbaum telling

1 you that he preferred -- he would prefer it if Mr. Altman
2 did not recuse himself?

3 MR. BOYD: Is the question did Mr. Nussbaum say
4 that he would prefer that he not recuse, that Altman not
5 recuse?

6 MR. KRAVITZ: Well, that's a different question,
7 but if the witness wants to answer that one we can start
8 with that one.

9 THE WITNESS: Why don't you give me what question
10 you want.

11 BY MR. KRAVITZ:

12 Q We've already talked for a couple minutes about
13 what Mr. Nussbaum told you about Mr. Nussbaum's opinion of
14 Ellen Kulka. And my question was -- I mean, in light of
15 those opinions that Mr. Nussbaum stated about Ms. Kulka,
16 did Mr. Nussbaum tell you or did he say anything that
17 indicated to you that he preferred -- he would prefer it if
18 Mr. Altman chose not to recuse himself?

19 A Let me put it this way: I think that two facts
20 are, in my mind, clear, that he did not think Altman should
21 capitulate to pressure, and he was concerned about the fact
22 that if Altman did not -- if Altman did recuse that Ellen

1 Kulka would then be in charge.

2 Q So it was clear to you, based on your
3 conversations with Mr. Nussbaum, that Mr. Nussbaum
4 preferred to have Roger Altman making the decisions at the
5 RTC in the Madison case as opposed to Ellen Kulka?

6 A That's correct.

7 Q Did you and Mr. Nussbaum -- strike that.

8 And just so the record is clear, what I just --
9 this was clear to you before the time that Mr. Altman made
10 his decision to recuse on February 25th?

11 A That's correct.

12 Q Did Mr. Nussbaum ever talk to you during this
13 time period about the acting deputy CEO at the RTC, a man
14 named Jack Ryan?

15 A Other than he mentioned his name, no, I don't
16 have -- for example, we've just had a discussion about
17 Ellen Kulka. I don't have any similar mind-set about Ryan.

18 Q Was Mr. Ryan viewed as more of an unknown within
19 the White House, to your knowledge?

20 A He was completely unknown to me and nobody
21 briefed me on him. Nobody came around and told me or gave
22 me their views of Mr. Ryan or anything like that, including

1 Mr. Nussbaum.

2 Q What did you think when Mr. Nussbaum told you
3 that Mr. Altman had had a meeting at the White House with
4 several White House officials and the question of his, of
5 Mr. Altman's recusal had been discussed?

6 A What did I think?

7 Q I mean did you think that, were you concerned
8 that that discussion had taken place?

9 A Again it's a little hard sitting here today to
10 think what I thought exactly then. I at that point have
11 knowledge, my own, I guess, instinctual sense is that that
12 kind of meeting can be seen as problematical or potentially
13 problematical and that's what I thought about it, that
14 there might have been a problem. If it were something that
15 were -- that it's the kind of meeting that I think could be
16 misunderstood, misconstrued, could result potentially in
17 criticism, depending on details that at that point I was
18 unaware of.

19 Q Was your concern about the meeting between
20 Mr. Altman and White House staff including Mr. Nussbaum
21 simply a concern that the meeting could be misunderstood
22 and could be damaging in a political sense or did it also

1 include a concern that it may have been ethically
2 inappropriate or improper?

3 A No. At the point, at the point we're talking
4 about, when I learned about this meeting, in my view it
5 raised questions of prudence and so forth. I mean, I just
6 learned that this meeting occurred, and I didn't reach any
7 legal or ethical conclusions about the meeting or anything
8 like that.

9 Q And at the time that we're talking about, the
10 only thing Mr. Nussbaum told you about the discussion with
11 Mr. Altman on recusal was that Mr. Altman had mentioned he
12 was considering recusal?

13 A Right.

14 Q Mr. Nussbaum didn't tell you anything about the
15 rest of the discussion that may or may not have occurred
16 between Mr. Altman and the White House staff people present
17 at that meeting?

18 A Correct.

19 Q Would you have thought differently of the
20 propriety of a meeting between Mr. Altman and the White
21 House staff had you known that, had Mr. Nussbaum told you
22 that there was a discussion in which White House staff

1 people stated opinions on the question of whether
2 Mr. Altman should recuse himself?

3 A It's a hypothetical question. I mean, you know,
4 that's not the way it happened, so I don't know.

5 Q Well, let me ask you this: In your opinion,
6 would it be appropriate for members of the White House
7 staff to advise Mr. Altman on the subject of recusal from
8 RTC-related -- of RTC decisionmaking related to Madison?

9 MR. BOYD: Can I talk to my client a second.

10 MR. KRAVITZ: Sure.

11 MS. BOLLINGER: Could we take a break.

12 (Recess.)

13 THE WITNESS: Could you read back the question.

14 (The reporter read the record as requested.)

15 THE WITNESS: In my opinion, it would not be
16 prudent for members of the White House staff to advise
17 Mr. Altman with respect to his recusal on a matter that
18 would affect Madison or Whitewater.

19 BY MR. KRAVITZ:

20 Q And what do you mean by using the word "prudent"?

21 A Well, I think on these questions of recusal there
22 are always two dimensions. There's the issue of what is

1 the legal requirement, and then there's the issue I
2 mentioned to you before, which is does the decisionmaker
3 have a subjective view of whether he or she feels that he
4 or she can properly and fairly adjudicate the matter. I
5 would be concerned that, if the White House advises an
6 official like Mr. Altman in that regard, I would be
7 concerned that that advice could be seen or interpreted
8 incorrectly or correctly as pressure.

9 Q Do you mean by the official or by the public?

10 A By either. By either. And so those, that's why
11 I say prudence. It could be a perfectly well-intentioned
12 piece of advice, but my view is that if the White House
13 gets involved in that issue, that either the official or
14 the third parties might misperceive it, and so that's why I
15 think it's imprudent.

16 Q In other words, you think it's important that the
17 White House not do anything in a situation like this that
18 could be interpreted by the official who has to decide
19 whether or not to recuse himself as being pressure from the
20 White House to make that recusal decision one way or the
21 other?

22 A I think essentially yes, there are two parts,

1 just so we understand each other. I think it would be
2 wrong for the White House to pressure an official not to
3 recuse himself. I think the question you asked is about
4 advice. And that's why I look to the term "prudence"
5 because advice can be misconstrued by the recipient or by
6 third parties.

7 Q Just one follow-up question. I understand now
8 how you are using the word "prudent." But you also just
9 said that in your view it would be wrong for the White
10 House actually to pressure someone an official not to
11 recuse himself. When you use the word "wrong," do you mean
12 improper within the meaning of some ethical rule or some
13 legal rule? I mean what are you referring to there?

14 A No, I mean improper in the sense that I've made
15 no determination of any whether it violates any statute or
16 any ethical principle. If you asked me, I think, in lay
17 terms, I think it is improper for the White House to
18 pressure officials to sit on a matter that involves members
19 of the White House, you know, high government officials.

20 Q And your answers all stem from your belief that
21 really as long as there's no legal rule requiring recusal
22 it should be left to the individual official's own

1 determination in good faith whether or not he can be
2 impartial?

3 A I think absent a legal rule, that's correct.

4 Q Okay. During your conversations with
5 Mr. Nussbaum in February 1994 on the subject of
6 Mr. Altman's possible recusal, did Mr. Nussbaum ever tell
7 you that he had spoken more than once with Mr. Altman on
8 this subject?

9 A No.

10 Q Did you ever talk with anyone else at the White
11 House, other than Mr. Nussbaum, about the subject of
12 Mr. Altman's possible recusal?

13 A In what time frame?

14 Q I'm sorry. During the time period before
15 Mr. Altman's formal decision to recuse.

16 A I think the answer is yes, only because the issue
17 about Altman's recusal, Tigert's recusal, these were issues
18 that were much in the air. I'm sure in morning staff
19 meetings people raised it. I am sure press people raised
20 it. I'm sure other people at the White House raised it.
21 Saying something to the effect of -- and I'm sure I heard
22 this, you know, isn't it terrible that this Senate

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1 committee is or a particular Senator is going to extract a
2 recusal as the price of confirmation? I mean many people
3 said that. I said that and during this time frame. Then,
4 you know, there were similar kinds of political
5 conversations vis-a-vis the pressures that were being put
6 on Altman by the Hill. So the answer is I'm sure I
7 discussed that with numerous people over the course of the
8 month.

9 Q Do you know a woman in the White House counsel's
10 office named Beth Nolan?

11 A I do.

12 Q Ms. Nolan is the alternate designated agency
13 ethics official at the White House?

14 A Well --

15 Q I'm pretty impressed with myself that I got that
16 out actually.

17 MR. BOYD: Can you read that back.

18 THE WITNESS: I mean the reason I'm playing
19 with -- the acronym is DAEO; right?

20 BY MR. KRAVITZ:

21 Q I can tell you that she testified that.

22 A If she testified that way.

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1 Q She testified that the White House counsel is
2 technically the DAEO?

3 A She's the DAEO.

4 Q Right?

5 A I'm with you. Sounds exactly right to me.

6 Q And that many of the DAEO responsibilities have
7 been delegated to her by the White House counsel. Is that
8 consistent with your understanding of Ms. Nolan's role?

9 A That's correct.

10 Q Do you recall Ms. Nolan speaking at one of the
11 9:00 a.m. White House counsel office staff meetings in
12 February 1994 about the subject of Mr. Altman's possible
13 recusal or legal issues relating to it?

14 A I don't recall -- let me try and let me answer
15 your question, which maybe my lawyer will tell me I
16 shouldn't do this, but let me try to answer your question
17 this way. I do recall a meeting, a White House counsel's
18 meeting in which Ms. Nolan said something like she had been
19 called by a Treasury official, the ethics official at
20 Treasury.

21 Q Do you remember the name Dennis Foreman?

22 A I know that now, I didn't recall that at the

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1 time. I've subsequently learned that it was Dennis Foreman
2 but at the time she may have said Dennis Foreman's name but
3 his name wouldn't mean anything to me. I didn't know who
4 he was.

5 She said that she had gotten a phone call and she
6 was going to call the question related to the legal
7 standards regarding recusal. And that was the question.
8 And that she intended to call him back and she raised that
9 in the course of the morning meeting. That much I
10 remember.

11 Q Did Mr. Nussbaum ever speak about Mr. Altman's
12 potential recusal or possible recusal during one of these
13 staff meetings of the White House counsel's office?

14 A I have no distinct recollection, but I have no
15 doubt that he did.

16 Q What was your understanding, if you had one, of
17 the extent to which Ms. Nolan was to be involved in
18 advising or consulting on the legal issues relating to the
19 recusal?

20 A I had no understanding about it.

21 Q Did you ever talk to Ms. Nolan about her work on
22 this issue?

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1 A Subsequently I talked some with her about her
2 work on it.

3 Q When did those conversations --

4 A After Roger's testimony on the 24th, there were a
5 series of events, which again I anticipate you're going to
6 want to talk about, but the question of how many contacts,
7 White House-Treasury contacts. In that context I talked
8 some to Beth about it.

9 Q What did Ms. Nolan tell you after the fact was
10 her involvement with Mr. Foreman at the Treasury Department
11 in consulting or advising on the legal issues relating to
12 Mr. Altman's recusal?

13 A As best I recall, that she said that she had
14 talked to Foreman about the legal standards, legal
15 requirements for an official to recuse and in the context
16 of whether a personal friendship was a legal requirement or
17 not. That's the context that I recall, the knowledge I
18 have.

19 Q Are you familiar with an area of the ethical
20 government ethical -- government ethics rules which require
21 a determination as to discretionary recusal, once it's been
22 determined that there is no legal requirement to recuse?

1 A Well, I am generally familiar with that but
2 that's not inconsistent, that's sort of what I set out
3 before. I think there are legal standards and then there
4 is a subjective, if you want to call it, discretionary
5 inquiry.

6 Q Yeah, I don't mean to imply that I think it's
7 inconsistent with what you were saying either. I just want
8 to --

9 A No, no, but that's my understanding, that there
10 are discretionary as well as mandatory recusal
11 requirements.

12 Q Did Ms. Nolan indicate to you whether her
13 involvement in advising or consulting with the Treasury
14 DAEO was limited to the legal mandatory disclosure --
15 recusal issue and did not extend to the analysis of the
16 discretionary recusal?

17 A She did.

18 Q Did Ms. Nolan tell you why she had limited her
19 advice in that way? I mean, was that at anyone's
20 direction?

21 A Not that I'm aware of, no.

22 Q At some point before February 24th, the day that

1 Mr. Altman testified before the Senate Banking Committee,
2 did you become aware that Mr. Altman had decided not to
3 recuse himself?

4 A Well, I knew that he hadn't recused himself. In
5 other words, I mean, I was not so inattentive that I hadn't
6 observed that there was no announcement of his recusal, and
7 obviously that's what he testified to on the 24th, that he
8 had not recused himself, and then on the 25th, he recused
9 himself. So I don't -- I'm not exactly sure whether I'm
10 being responsive, but that's what I knew.

11 Q Okay.

12 A I mean nobody came to me -- if your question is
13 did Bernie come to me and say Roger has decided not to
14 recuse himself, the answer is no.

15 Q And to your knowledge no one else ever came to
16 you and said that?

17 A Right.

18 Q We've had described to us what has sometimes, in
19 some cases, been called a response team within the White
20 House or Whitewater response team?

21 A Whitewater response team, yes.

22 Q Do you know what I'm talking about?

1 A I do.

2 Q Were you ever a member, either official or
3 unofficial, of the Whitewater response team?

4 A You want to know sort of whether they allowed me
5 in the fraternity? Is that the question? I was --

6 Q Was that a prime spot?

7 A I don't think this was a -- I don't know when you
8 say "official" or "unofficial." I think I said to you at
9 the outset there was a -- prior to the president's call for
10 the appointment of an independent counsel, I had been
11 involved some in Whitewater-related activities and in that
12 regard I was one of the people who was on this so-called
13 response team.

14 I don't know back then whether it was called a
15 response team, but it was a group of people that would meet
16 to deal with potential press/Hill matters concerning
17 Whitewater, or back originally, concerning issues relating
18 to the troopers, the American Spectator article.

19 MR. BOYD: Which I understand it -- I would
20 understand that subject area in detail to be beyond the
21 scope of this.

22 MR. KRAVITZ: I'm not going to get into very much

1 detail. I agree with you, particularly in light of the
2 previous testimony as to Mr. Klein's lack of direct
3 contacts during this time.

4 BY MR. KRAVITZ:

5 Q Did you ever become -- well, strike that.

6 You've testified a little bit about the February
7 24th, 1994 hearing before the Senate Banking Committee. To
8 your knowledge were people at the White House on the White
9 House staff involved in assisting in the preparation for
10 testimony at that hearing?

11 A I have no knowledge of that prior to the
12 hearing. Subsequently, as you know, I was involved in
13 subpoena compliance. I've been involved with respect to
14 preparation with Mr. Cutler of his analysis. So I have
15 additional knowledge, which I think is not something that I
16 feel fair to get into.

17 At the time of the 24th testimony by Altman, I
18 had no knowledge that anybody at the White House had worked
19 on or reviewed or knew about his testimony.

20 Q Okay. So just -- and I'm going to respect your
21 statement that you don't think it's fair to get into it
22 because I actually agree with that in light of the fact you

1 weren't involved.

2 Let me show you a couple of documents and make
3 sure you hadn't seen these as of the 24th of February. I'm
4 going to show you X000075, which is a one-page document
5 entitled "Senate Banking Committee hearing to-do list." Is
6 that a document that you had seen or heard about as of
7 February 24th, 1994?

8 A No, sir.

9 Q And I take it this is something that you have
10 seen or heard of since that time in your role as being
11 involved in subpoena compliance?

12 A I may have, if the White House produced the
13 document, but I have to tell you I did not review every
14 single document that the White House produced. Sitting
15 here today, I could not affirm for you that I've seen that
16 previously before today.

17 Q And is it accurate then that you did not review
18 any Q and As that were prepared for Mr. Bentsen or
19 Mr. Altman at the Treasury Department --

20 A I did not --

21 Q -- in anticipation of their February 24th
22 testimony?

1 A I did not prepare any Q and As or see any Q and
2 As.

3 (Recess.)

4 BY MR. KRAVITZ:

5 Q Did you attend the RTC oversight board hearing
6 before the Senate on February 24th?

7 A No.

8 Q Were you monitoring it in any way on that day?

9 A No. I mean I was aware, I believe, that Neil
10 Eggleston attended, but I was not personally monitoring it.

11 Q To your knowledge was the February 24th hearing
12 something that there was some considerable amount of
13 interest in at the White House?

14 A Again, I don't want to quibble about words like
15 "some considerable amount of interest." There's a fair
16 amount of issues that come across your plate in the course
17 of a day. I was aware and there probably -- this is why I
18 assume Neil went up there, was that there could be
19 testimony about issues relating to Roger, the RTC, Madison
20 Guaranty, so forth. So in that respect, yeah, people were
21 at least sufficiently concerned that they wanted somebody
22 to attend the hearing.

1 Q When you say you were aware that there might be
2 questions at the hearing about Roger, do you mean that you
3 were concerned there might be or you were aware that there
4 might be questions about Mr. Altman's decision not to
5 recuse himself?

6 A No. There could be questions about whether he
7 was going to recuse himself. I mean, people had been
8 calling for his recusal all along. That's all I mean by
9 it.

10 Q At some point after February 24th, after the
11 hearing -- after the hearing on February 24th, did anyone
12 bring to your attention any concerns about any of the
13 testimony at that hearing?

14 A Well, the answer I guess is yes. And what I mean
15 by that is, you want me to just lay out the process? I
16 guess I'm just --

17 Q Sure. You can do that. I can ask follow-up
18 questions if I have them.

19 A Here is what happened after I think --
20 principally what I'm aware of was after Roger's testimony,
21 at some point, I think Neil probably told me that he had
22 been asked about this meeting or the February 2nd meeting

1 as it turns out and so forth. And sort of had talked about
2 it generally. That probably -- I can't guarantee it but
3 that probably could have been after the hearing on the
4 24th. On the 25th there was a huge New York Times front
5 page story about his testimony and his White House meeting
6 on February 2nd. At that point, sometime on the 25th, I
7 think later in the afternoon, Cliff Sloan came to my office
8 and said he wanted me to know that there had been
9 additional meetings.

10 Apparently Altman, the newspaper said he
11 testified there was only one meeting, this February 2nd
12 meeting. Cliff said that he didn't know what Altman knows
13 but he, Cliff, knew about two other meetings and some phone
14 calls or something involving Jean Hanson relating to
15 Madison that he, Cliff, was concerned about the issue of
16 our press people responding because you got a story out
17 there saying there's one meeting and what will our press
18 people say? Do they know there is one meeting, not one
19 meeting and so forth.

20 So that happened and so he raised that with me.
21 I went to Lindsey who was kind of, as I viewed it at the
22 time, probably sort of the principal spokesperson on

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1 Whitewater-related matters and if you put this in that bag,
 2 and said, you know, I don't know, this is what Cliff told
 3 me, he suggested that I raise it with you, that you
 4 probably know about these prior events and that Dee Dee,
 5 who is Dee Dee Myers, and Mark, Mark Gearan are the press
 6 people, you know, should be aware of that before we make
 7 any statement. So that was sort of chapter 1 in this
 8 thing.

9 Q And the intention was any press statements that
 10 were going to be made would be accurate?

11 A Absolutely.

12 Q What did Mr. Sloan tell you on February 25th,
 13 1994 about the two meetings that had occurred previously?

14 A Basically he told me that the meeting --
 15 September 29th is the date that now sticks in my mind, I'm
 16 sure back then I didn't fix a date -- but he said that
 17 there was a meeting after the Waco meeting which was about
 18 the FBI report on what happened at -- the Treasury report
 19 on what the FBI had been involved in with respect to Waco
 20 and Koresh, David Koresh.

21 And after that meeting, he said basically that
 22 Jean Hanson had asked to talk to Bernie and that at some

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1 point Bernie asked Cliff to come back in and essentially
 2 she told him about a criminal referral regarding Madison in
 3 which the Clinton campaign was mentioned or maybe the
 4 Clintons were mentioned. But that -- then there was a, he
 5 said he had a follow-up, a couple follow-up phone
 6 conversations and that at some point Neil got hired and
 7 Cliff and Eggleston were both on the phone conversations in
 8 the period between the 29th and the 14th when a second
 9 meeting occurred.

10 Q This is between September 29th and October 14th?

11 A Right, when a second meeting occurred with press
 12 people, Gearan, Lindsey, Cliff I assume, Jack DeVore who
 13 I'd never heard of, but Jack DeVore and Jean Hanson and so
 14 forth. But that's essentially what he told me. I mean I'm
 15 not quoting him or anything like that.

16 Q When Mr. Sloan was describing the September 29th,
 17 1993 meeting to you on February 25th, did Mr. Sloan tell
 18 you whether, at the meeting, it was discussed that the
 19 criminal referrals had not yet actually been made?

20 A If he did I have no recollection.

21 Q You testified after you spoke with Mr. Sloan, you
 22 went and talked to Mr. Lindsey?

1 A Uh-huh.

2 Q What did you tell Mr. Lindsey?

3 A I went down to Bruce's office and I told him that
4 I didn't know who was handling White House responses on the
5 Altman article in the Times, et cetera, but that Clifford
6 advised me there were additional contacts regarding the
7 Madison matter between White House and Treasury, and so
8 anyone who was going to make a statement on this shouldn't
9 say that that had been the only contact, which is what
10 Roger had testified to.

11 Q Did you suggest that Mr. Lindsey talk with
12 Mr. Sloan or others to get more details?

13 A No. At this point I said that it seemed to me --
14 this was like late on a Friday, I think on the 25th, you
15 know, we're in a press cycle, you have ABC, NBC, that kind
16 of thing, at the White House things are between 5:00 and
17 6:30. Things are moving -- often when you have a news
18 story like that in the Times in the morning, you know, all
19 the networks are going to cover it in the evening and
20 things are moving.

21 I think my focus at this point was principally we
22 not make any statements with respect to the television

1 media and so forth on that. I wasn't trying to do a study
2 or analysis or have Bruce do a study or analysis. I was
3 just saying look, before anybody puts out any
4 misinformation, I just want you to know this and stop
5 that. So that's where it ended.

6 Q As of the time you talked with Mr. Lindsey on
7 February 25th, had Mr. Altman made known to you or anyone
8 at the White House, to your knowledge, his decision to
9 recuse himself?

10 A I think -- he never made it known to me, but I
11 think he had made it known, at the time that I was talking
12 to Bruce, I think I knew that Altman had recused.

13 Q Did you discuss with Mr. Lindsey on February 25th
14 the fact that Mr. Altman had decided to recuse himself?

15 A Not that I recall.

16 Q Let me let me show you again the FD 302 prepared
17 by the FBI following your interview with them in the Office
18 of the Independent Counsel and direct your attention
19 specifically to page OIC 310 and ask you if it refreshes
20 your memory.

21 See if I can find the spot for you. The
22 paragraph that I want to direct your attention to is this

1 one on page 4, but obviously you are free to read the
2 entire document.

3 A Not again.

4 (Witness reviewed the document.)

5 Q And I guess the question is whether looking at
6 that document refreshes your memory as to whether you
7 discussed Mr. Altman's decision to recuse himself with
8 Mr. Lindsey on February 25th?

9 A The answer is it doesn't refresh my recollection,
10 but I accept that as accurate. I think that is what I told
11 the independent counsel at the time I was interviewed and
12 sitting here now, I accept that as accurate.

13 Q Let me just -- when you are done looking I'd like
14 to read into the record what it is that Mr. Klein, he
15 accepts as accurate.

16 The paragraph reads as follows: "On February 25,
17 1994 Klein held a discussion with Bruce Lindsey. Klein
18 advised that Nussbaum had told him that Altman was going to
19 recuse himself regarding issues related to Madison
20 Guaranty. Klein became concerned regarding the recusal
21 issue and how it would play out. He could not understand
22 why Jean Hanson, general counsel at the Treasury

1 Department, didn't correct Altman at the oversight
2 hearing." Did I read more than I should have?

3 A Well, what you read -- no, you read the
4 paragraph. Let me just say when it says "Klein advised
5 that Nussbaum had told him that Altman was going to
6 recuse," that's incorrect. The reason I say that's
7 incorrect is Nussbaum was out of the country at the time,
8 he was in Acapulco at a meeting of the Bar Association or
9 something like that. I was told that -- I wasn't told that
10 by Nussbaum. I believe I was told it by Stephanopoulos,
11 and I don't know whose characterizations these are about I
12 was concerned, regarding the issue of recusal and how it
13 would play out.

14 I was, one, concerned about the fact that, so far
15 as I was aware, the question of recusal had not been
16 reported in the newspapers as part of his statement. And,
17 second, I was concerned -- part of Altman's statement. And
18 second, I was concerned that these other meetings which
19 Cliff Sloan had told me where Jean Hanson was at were not
20 discussed in Altman's testimony even though Jean Hanson was
21 sitting behind him. So that's at least what I feel is
22 accurate.

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1 Q Okay. And is it your testimony that, even after
2 reviewing this document and testifying as you just have,
3 you still have no recollection of discussing Mr. Altman's
4 final recusal decision with Mr. Lindsey on the 25th of
5 February?

6 A I have no independent recollection of that, no.
7 So the record is clear, I'm not disputing, okay? I don't
8 want to be seen -- what I'm saying, as I sit here today in
9 my mind, I don't have a recollection, specific recollection
10 of talking to Bruce Lindsey on the 25th about that matter.
11 I accept the fact based on the fact that I testified to
12 that earlier and I think it is certainly plausible and I
13 would accept that fact that I talked to Bruce about it,
14 yeah.

15 MR. BOYD: I would also say in light of the
16 discussion that we've been through, that if you want him to
17 accept any of the characterizations in the paragraph you
18 read into the record, you should read them to him, but as
19 the record now stands, I would understand him to testify
20 that he doesn't accept that paragraph as stated as being
21 accurate.

22 MR. KRAVITZ: I think the record speaks for

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1 itself. I agree with you but I think the record speaks for
2 itself, what Mr. Klein's view of this paragraph is. And
3 just so the record is absolutely clear, I mean I don't view
4 this as, this FD 302 as a statement of Mr. Klein in any
5 way. I mean it's obviously a summary of an FBI agent, of
6 an interview with Mr. Klein.

7 BY MR. KRAVITZ:

8 Q And actually let me ask you. Have you ever seen
9 this document before I showed it to you today?

10 A No, sir.

11 Q No one gave you a chance to correct it or change
12 it in any way?

13 A No, sir.

14 Q At any time following the hearing on February
15 24th, did you become involved in reviewing the transcript
16 of Mr. Altman's testimony to determine whether it had
17 been -- it was inaccurate or whether the White House or the
18 Treasury Department should do anything to supplement the
19 record?

20 A Yes, I reviewed Mr. Altman's testimony, the
21 transcript of it, I believe, on the Monday the 28th.

22 Q What was your purpose in reviewing the transcript

1 at that time?

2 A Essentially to see what he had testified to and
3 how that squared with my knowledge and other people of the
4 White House's knowledge about the facts.

5 Q Were there certain questions and answers or
6 certain points on which you were focusing your attention as
7 you were reviewing the testimony?

8 A I was reviewing the testimony -- there were three
9 things, again, that I sort of got into this by reading The
10 New York Times. I didn't have the transcript, I wasn't at
11 the meeting, I had a brief report from Neil but I didn't
12 sort of spend a huge amount of time going over notes.

13 There were three things that stuck in my mind as
14 matters that I wanted to inquire into. One was how many
15 meetings between White House and Treasury officials and
16 what was -- first, how many. Second matter was what
17 specifically did Altman say about the February 2nd
18 meeting. And the third matter was Altman had said in the
19 newspaper. I think the quote was that he had set the
20 meeting up with Bernie Nussbaum and that matter as well
21 seemed, based on my recollection of what I had been told,
22 to be inaccurate.

1 So those were the three matters that I was
2 reading the transcript looking for, as well as anything
3 else that he said about these matters, all of which were
4 now in the public domain and the White House would have to
5 respond to. So I was concerned about what we would say on
6 this and to insure the accuracy of it.

7 Q Now, the first subject that you were looking at
8 was how many meetings were there in fact between White
9 House and Treasury officials; is that correct?

10 A Yes, sir.

11 Q You also, I think you were about to say that you
12 were also interested in what was discussed at those
13 meetings or what they were about; is that your --

14 A Not really because, you see, my understanding
15 was, based on the newspaper, that Altman had said only one
16 meeting, so I didn't expect to have testimony about what
17 occurred at the other meetings. So in reviewing his
18 testimony, I just wanted to confirm exactly what he said
19 about how many meetings, whether Jean Hanson was there at
20 the hearing, that kind of thing.

21 Q Wasn't there also an issue relating to one of the
22 questions that was asked on February 24th about whether

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1 anyone in Mr. Altman's agency had informed White House
2 officials about criminal referrals that you and others at
3 the White House were concerned about, and I mean, wouldn't
4 that go to the question of what was actually discussed at
5 some of these earlier meetings?

6 A If you showed me there was such a question and
7 the answer is yes, I had known from Cliff that there had
8 been this discussion with Jean Hanson about a criminal
9 referral which, to my knowledge, in the newspaper story was
10 not discussed, that meeting, that communication between
11 White House and Treasury.

12 Q But you don't recall that point right now, as you
13 sit here today, as one of the issues of concern that you
14 were looking at on February 28th as you were reviewing the
15 transcript?

16 A I don't think so. I think the focus was more on
17 whether there were any meetings or not.

18 Q Well, let me show you a document. I don't know
19 if this is what you looked at or not, but I think this came
20 from your files. This is a document marked X000449 through
21 X000465. I ask you to take a look at that and see if you
22 recognize it.

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1 A I think you're right. I think this is a document
2 that I reviewed. It came from my files.

3 Q Do you know who had underlined --

4 A I think that's my underlining and circling.

5 Q Why don't you just take a minute and flip through
6 there and see if the document and its underlinings help
7 refresh your memory as to any other issues that you might
8 have been looking for.

9 A You want me to look in the underlines, you don't
10 want me to read all this right now?

11 Q No.

12 A Is there any particular page?

13 Q I think the underlinings are just on a few
14 pages.

15 A All right.

16 (Witness reviewed the document.)

17 I do see on page 460 -- this actually does
18 refresh my recollections. There is a question by Senator
19 Bond as to, quote, "how was the White House notified of the
20 referral," meaning the criminal referral, "that you've
21 referred to? Was it from your agency?"

22 Mr. Altman said "they were not notified by the

1 RTC to the best of my knowledge."

2 And seeing this does refresh my recollection
3 that, indeed, one of the questions that I was looking at
4 and concerned about was how that squared with what I had
5 learned from Cliff Sloan based on with regard to Jean
6 Hanson, yes.

7 Q How did you and others at the White House resolve
8 the question of how to deal with these issues that were
9 raised by Mr. Altman's testimony?

10 A Well, we had a meeting, probably more than one
11 meeting and John Podesta was the kind of, I think he was
12 the point person on this. I became and was actively
13 involved in it. Cliff Sloan from my office was involved.
14 Neil Eggleston was involved. Bruce Lindsey, I believe, was
15 involved. Bernie Nussbaum was involved. Probably
16 Podesta's assistant, Todd Stern, his deputy rather, Todd
17 Stern was involved, and there may have been one or two
18 other people that came in at different times in the
19 meeting. And basically we talked about, I think, these
20 three issues which I have raised before and the two aspects
21 to it.

22 One was any statements that the White House made,

1 and second of all, what we ought to communicate to Altman
2 with respect to our understanding of events that might not
3 have been reflected in his testimony.

4 Q Was there a determination made as to any specific
5 areas in Mr. Altman's testimony that needed to be corrected
6 or supplemented?

7 A Or supplemented. I think there were at least two
8 matters that we thought were on our radar screen that
9 should be on his radar screen.

10 Q Which were those?

11 A The one about the failure expressly to mention
12 recusal. He had talked about, quote, procedural matters.
13 Some people thought that that was in the ambit of
14 procedural matters. Other people in discussion thought
15 that, in this context, that would be seen as at least less
16 than forthcoming in any event.

17 Q Let me -- just so the record is clear. What
18 you're saying is that on February 24th Mr. Altman talked
19 about the discussion of procedural matters in the February
20 2nd meeting?

21 A Correct.

22 Q And the issue was did Mr. Altman's reference on

1 February 24th to a discussion about procedural matters
2 include the discussion about recusal, that also took place
3 on February 2nd?

4 A Correct.

5 Q Okay.

6 A And as I testified before, I was aware that the
7 issue of recusal had come up at the February 2nd meeting.
8 And he, Altman, did not mention that in his testimony that
9 I reviewed and that other people had reviewed. So that was
10 one issue.

11 The second issue was the issues regarding the
12 criminal referral and the meetings in September leading
13 through October 14th, the 29th through the 14th of October,
14 that time frame, those meetings hadn't been disclosed. And
15 so those were the two issues. As to whether he set up the
16 meeting with Bernie Nussbaum or with somebody else, that
17 seemed to be different people with different recollections
18 and not terribly material to the overall understanding of
19 the matter.

20 Q So the decision was that, as to that, as to who
21 set up -- the issue of who set up the meeting or through
22 whom the February 2nd meeting was set up, the decision was

1 that nothing really had to be done?

2 A Well, I don't know about that. I mean, all I
3 know is that I think John Podesta decided, based on, you
4 know, hearing different views about what should or
5 shouldn't be said, decided to go ahead and advise Altman,
6 he told me, with respect to the two matters, not the three.

7 Q Now, you didn't have any information as of the
8 time of these meetings that you've been testifying about at
9 the White House, whether Mr. Altman knew about the
10 September 29th or the October 14th meetings as of the time
11 of his February 24th testimony?

12 A Correct.

13 Q Did anyone, did anyone in the group at the White
14 House working on this project make any effort to find out
15 whether Mr. Altman did in fact know about those earlier
16 meetings?

17 A I don't know that. I don't know that.

18 Q It's not something that you did?

19 A It's not something that I inquired about.

20 Q You've testified that Mr. Podesta at some point
21 contacted Mr. Altman following these meetings. Do you know
22 when that occurred?

1 A I believe it was on Tuesday which would have been
2 March 1st. It could possibly have been Wednesday, March
3 2nd, but one or the other.

4 Q And when was that in relation to the discussions
5 that had been going on at the White House among you and
6 Mr. Podesta, Mr. Eggleston, Mr. Lindsey, Mr. Nussbaum,
7 et cetera, when you were all trying to figure out how the
8 testimony should be addressed?

9 A I think basically, if my memory serves me on
10 this, I think we met sometime on Monday, various people
11 including me were looking at the transcript and so forth.
12 We met, talked about it, didn't reach a final decision.
13 Then on Tuesday we met again and I think basically that's
14 why I think it was done on Tuesday. I also think on
15 Tuesday we got a call either -- or both Mark Gearan and
16 maybe Podesta got a call from a Washington Post reporter
17 who was inquiring about, quote, additional contacts. And
18 so I think our discussions were kind of almost simultaneous
19 with that phone call.

20 Q Did the receipt of that phone call make it seem
21 almost like a more immediate need to get the record
22 supplemented?

1 A Not in my mind, it didn't.

2 Q What was the decision reached on March 1 as to
3 how you should proceed?

4 A The decision was that John would call Roger and
5 the decision, in addition, was that obviously we would have
6 to brief our media people so that any statements that were
7 put out were consistent with the knowledge that we had.

8 Q And what was your understanding as to what
9 Mr. Podesta was going to say to Mr. Altman over the
10 telephone?

11 A I didn't have a clear understanding of that. I
12 mean it was, as I say, different people at the meeting
13 expressed views. John was going to make the determination.

14 Q So there wasn't a group decision made as to
15 whether Mr. Podesta should encourage Mr. Altman to give a
16 press release or file letters or anything, nothing
17 specific?

18 A No.

19 Q Was there a plan, other than just briefing the
20 White House press people, as to what the White House might
21 do in the event that Mr. Altman declined any suggestion to
22 supplement the record himself?

1 A No.

2 Q Did you --

3 A Not to my knowledge, if there was such a plan.

4 Q Did you speak to Mr. Podesta after he spoke to
5 Mr. Altman?

6 A I believe I said, and I believe that at some
7 point, if not on the 1st then on the 2nd, one or the other,
8 John said that he had spoken with Altman and that he had
9 told him about the two points, the meetings involving Jean
10 Hanson and the recusal issue.

11 Q Did Mr. Podesta indicate to you that he had
12 encouraged Mr. Altman to supplement the record?

13 A I believe he said that he had -- I'm just not
14 sure. I think he said that Roger was going to write a
15 letter with respect to the other meetings or something like
16 that, and that it was possible, as I recall this, he was
17 supposed to come back for further testimony. He was like
18 going to be called back a week later, at this point, after
19 the original testimony.

20 Q You think he was actually scheduled to testify in
21 front of the House?

22 A In front of the House.

1 Q On March 8th?

2 A Okay. Another oversight hearing. That's right.
3 But you don't -- is that right?

4 MR. KRAVITZ: Is that right?

5 MR. BRAUNREUTHER: Appropriations Committee, I
6 think, was March 6th.

7 THE WITNESS: Well, let me say this for the
8 record. I don't know when or how. My understanding of
9 what John said to me was that Altman was going to write a
10 letter about these, he would check on these other
11 meetings. I don't know what Altman's state of knowledge
12 was but he would check on these other meetings and if there
13 was a clarification with respect to that, he would do that
14 by letter.

15 With respect to the recusal, he was going to
16 raise that in some testimony that was reasonably imminent
17 at that time. That's what my understanding is of those
18 events.

19 BY MR. KRAVITZ:

20 Q And so in other words, your understanding was
21 that Mr. Altman was not going to raise the recusal
22 discussion on February 2nd in whatever letter he wrote?

1 A That was my understanding.

2 Q Did you think that that was a sufficient -- a
3 sufficient supplementation of the record?

4 A You know, if you're asking me what I would have
5 done, I mean, you know, I guess --

6 Q Let me rephrase the question. Did you tell
7 anyone or say to anyone at the White House or outside the
8 White House, within the government, that you thought that
9 that wasn't enough?

10 A I feel reasonably confident that I probably said
11 something to the effect of if he's going to write a letter,
12 I don't understand why he doesn't put in this recusal
13 point, something to that effect. When I said that in this
14 time frame, I don't know.

15 Q To your knowledge did anyone at the White House
16 consider contacting Mr. Altman again and encouraging him
17 again to put all of the information that was necessary to
18 supplement the record into this letter?

19 A I don't know. And I don't know -- I may have
20 been told after the letter was written. I don't know the
21 time sequencing here. All I know is at this meeting John
22 is going to make the call to Altman; he tells me on the

1 following day, I believe, these things. In the meantime
2 The Washington Post is on the story. I was working with,
3 you know, people in the press office, we're trying to deal
4 with the issues and stuff like that inside the White House.

5 Q One of the things you mentioned earlier was I
6 think you -- and correct me if I'm wrong, but I think you
7 mentioned earlier that one of the issues that you and
8 others were looking at was was Ms. Hanson present at the
9 hearings on February 24th along with Mr. Altman, and if so,
10 why didn't she interrupt him and help him correct the
11 testimony at that time, particularly with regard to the
12 fall 1993 meetings?

13 A Right.

14 Q Is that something that you or anyone else at the
15 White House to your knowledge ever found out the answers
16 to?

17 A I never found out the answer to why she didn't.
18 I found out that she was there at the hearing, and I found
19 out that -- I mean I read the transcript that indicated
20 that at some point when he was asked about this question,
21 he did consult with people who were behind him. But I have
22 no idea what her reasonings were or were not.

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1 Q I'm going to show you a letter dated March 2nd,
2 1994 from Roger Altman to Senator Riegle, which appears at
3 page 336 of the official book of the February 24th, 1994
4 oversight board hearing. It's on the left-hand page.

5 Have you ever -- well, let me ask you. Do you
6 know whether you saw that letter or a draft of that letter
7 before it was sent to Senator Riegle?

8 A I know I saw neither this letter nor a draft
9 until after it was sent to Senator Riegle.

10 Q Do you remember when the first time was that you
11 did see the March 2nd letter?

12 A I either saw it in the paper or -- in the
13 newspaper on March 3rd or somebody gave me a copy of it.

14 Q Do you know whether anyone else on the White
15 House staff reviewed or -- reviewed a draft of the March
16 2nd letter before it was sent to Senator Riegle?

17 A I don't know.

18 Q Do you know whether anyone on the White House
19 staff was involved in any way in the preparation of
20 Mr. Altman's March 2nd letter?

21 A No, I don't.

22 Q Did you become aware at some point that

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1 Mr. Altman sent a second letter to Senator Riegle on March
2 3rd, 1994?

3 A Again, I became aware of that after he sent the
4 letter.

5 Q Do you know whether anyone on the White House
6 staff participated in any way in the drafting or the
7 reviewing or the preparation of the March 3rd, 1994 letter
8 from Mr. Altman to Senator Riegle?

9 A No, I don't.

10 Q Are you aware that Mr. Altman sent third and
11 fourth letters to Senator Riegle on March 11th and March
12 21st, 1994 respectively?

13 A I am aware of that and I have no knowledge as to
14 whether anyone at the White House reviewed, consulted or
15 saw those letters before they went out.

16 Q You are one step ahead of me.

17 MR. BOYD: He's got dinner plans.

18 BY MR. KRAVITZ:

19 Q Did you do anything else that you haven't told us
20 about relating to Mr. Altman's February 24th testimony
21 before the subpoenas were served on March 4th, 1994?

22 A I mean, I think I've told you the essence of what

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1 I've done. I can't say that, you know, I've told you every
2 specific detail, but I've told you the substance of what
3 I've done.

4 Q In your view there is nothing significant that
5 you did before March 4th relating to Mr. Altman's testimony
6 that you haven't told us about?

7 A That's correct.

8 Q Okay. I'm going to show you a document that's
9 been marked X000903 and ask you if you recognize what that
10 is.

11 A Yes, I do.

12 Q What is that?

13 A There are two parts to this. This is a news
14 release by the Treasury on March 3rd, '94, and there is a
15 statement on here by -- let me read the statement in the
16 record. It says "Mack -- per Joel -- this will cover us so
17 we don't have to do anything further. P."

18 Q Who is P?

19 A P is Patty McHugh.

20 Q And who is she?

21 A She is Mack McLarty's assistant.

22 Q Can you tell us what that means?

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1 A Yes, I can. You want me to do that -- I don't
2 want to get ahead of you. That's the problem with lawyers
3 as witnesses.

4 Q You are doing much better before you were acting
5 like a lawyer.

6 A Here is what happened with respect to this matter
7 as this was developing on March 1st, 2nd and 3rd. It was
8 coming out in the press and I was becoming aware inside the
9 White House. There were additional contacts and this was
10 becoming a highly inflamed issue. It was my view that we
11 needed to kind of get all the facts out, we needed to know
12 who spoke to whom, what follow-up conversations. It would
13 be really unfortunate, this each day a new contact story.

14 There were discussions at a pretty high level and
15 McLarty was very concerned about this. McLarty was
16 concerned, he didn't want, you know, he wanted to know what
17 happened, what the facts were so that we'd be accurate and
18 not go through this daily disclosure thing.

19 He, I, other senior people on staff talked about
20 ways to kind of get the facts. And there were various
21 discussions about possibly bringing in outsiders or having
22 an internal inquiry or something like that.

1 In the middle of that process, the OGE statement
2 was put out by Treasury in which Lloyd Bentsen was saying
3 he was going to have the Office of Government Ethics
4 inquire into the White House-Treasury contacts. And my
5 statement to Mack was essentially to let him know that this
6 is something that we could participate in and be a part of
7 as a way to make the investigation. So that's what this is
8 all about.

9 Q In other words, by participating in the OGE
10 investigation, you at the White House could find out about
11 all the various contacts that occurred between Treasury and
12 the White House?

13 A Right.

14 Q Was that going to be quick enough for you to be
15 able to prevent the contacts from coming out one at a time?

16 A Well, what it was going to be able for us to do
17 was to say that we are going to make a full inquiry, and
18 get to the bottom of whatever this is. That's what it was
19 going to enable us to do. I don't know how quickly or
20 slowly we were talking about bringing in an outsider. I
21 think actually, you know, I had probably recommended Lloyd
22 Cutler as somebody who might be brought in to do this. And

1 this seemed to me to be another way to do it.

2 Q In other words, by sending this over to OGE, you
3 could avoid the problem of making a statement that you knew
4 about all the contacts and then have additional contacts
5 surface later?

6 A That's right. We could also -- there was a
7 political question that's out and about at the time and
8 that is, there's a lot of information this Tuesday,
9 Wednesday newspapers, you know, and so forth and of course,
10 you know, what's the White House going to do about it. And
11 one possibility is we do an internal investigation.
12 Another possibility, bringing in an outsider. Third
13 possibility, we don't do anything. And fourth possibility,
14 which materialized, was this one at OGE, and it was my
15 suggestion to Mack, since I thought we should look into
16 this and make sure we had the full assessment of it and
17 what it was about, that we could use this vehicle.

18 Q What was done within the White House between
19 February 24th and March 4th to make it known to White House
20 staff that the senior staff wanted to know about any and
21 all contacts that any White House staff had had with
22 Treasury officials relating to Madison?

1 A I don't know of anything that was done in that
2 regard. My principal focus, because this is where I was
3 operating, was in the counsel's office and I was trying to
4 make those determinations, but I don't know about other
5 people in the White House and whether any effort was made
6 to collect information or not. I just don't know.

7 Q In the counsel's office you made an effort to
8 collect that type of information?

9 A I made some effort, I spoke to some people
10 about -- I wasn't purporting to do an investigation. I was
11 talking to people about, in the context of this one meeting
12 Roger disclosed, Cliff Sloan told me about two meetings.
13 Some telephone conversations, and so forth. I read some
14 stuff in the paper. I was not doing anything systematic
15 but I was talking to people about disclosure of meetings.

16 Q Did all of these efforts that you've been
17 describing change in a meaningful way when the subpoenas
18 were served on March 4th?

19 A Depends what these efforts are you're talking
20 about.

21 Q I guess I don't mean to -- I really don't mean to
22 mischaracterize what you're saying, but efforts to collect

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1 information about contacts, I mean to the extent that there
2 were affirmative efforts taken.

3 A Sure. Once the subpoenas were served on March
4 4th, then we completely moved into subpoena compliance.
5 There was no need for us to look into this issue so that's
6 where we were. Bentsen put off his OGE study. We
7 determined, based on our discussion with Fiske frankly, I
8 mean this is a discussion we had with his people that he
9 didn't, he did not want us to do additional inquiry at this
10 point. He wanted the primacy of his investigation to be,
11 so to speak, untouched by any other inquiries. So that's
12 basically that's what happened. We shut down any
13 inquiries.

14 Q I want to go back to about a week or so to the
15 time that it became known at the White House that Jay
16 Stephens had been hired by the RTC as outside counsel to
17 handle certain civil -- the civil investigation of
18 Madison. When did you become aware of that Mr. Stephens
19 had been hired for that assignment?

20 A I think it was probably sometime in the afternoon
21 of February 24th.

22 Q Did you participate in or witness conversations

1 within the White House related to Mr. Stephens's
2 appointment on that day?

3 A I had some conversations with people about that,
4 yes.

5 Q Who did you have conversations with?

6 A I was told that Mr. Stephens was hired. I was
7 called by Jim Hamilton, who is a private attorney here in
8 town, sometime around 2:00, 3:00 on the 24th.

9 Q The same day as the hearing?

10 A As Roger's hearing. I was told by Jim that the
11 RTC had hired Pillsbury and that Jay Stephens was working
12 on the matter. I then told that subsequently to Neil when
13 I saw him later that day. I believe I told it probably to
14 Bruce Lindsey and maybe to, I may have told it to Mack. I
15 could have told it to George or I could have told it to
16 David Gergen or I could have told it to all of them. It
17 was when I saw somebody if I thought he would be
18 interested, I told him.

19 Q What was your reaction to this news?

20 A Well, I mean I found it surprising. I was
21 shocked by it. I thought, it seemed to me -- I mean I had
22 two reactions. Sort of just our good luck, I guess, but I

1 thought it was, to me it was not appropriate for the RTC to
2 bring in somebody like Jay Stephens to do this
3 investigation.

4 Q Were you aware that it was Ellen Kulka, the
5 general counsel at the RTC, who had authority or final
6 authority to make this kind of appointment?

7 A The answer is no, I wasn't aware. What I'm
8 thinking about, I just used the word "inappropriate." I
9 want to say one thing. I don't mean inappropriate in a
10 legal sense or something like that. I just thought this
11 guy was a defined partisan who had had a particular
12 experience not very long ago with the president; shortly
13 before he had been sort of thinking of running for the
14 Senate. It seemed to me that that was not a -- I would not
15 have thought that prudence would suggest hiring Jay.

16 I don't want to suggest anything that was in my
17 view that was unethical or unlawful about his retention. I
18 don't believe that. And I didn't know who hired him or how
19 or what or anything.

20 Q When you learned that the RTC had hired
21 Mr. Stephens to handle the civil investigation of Madison,
22 did you think back to concerns that Mr. Nussbaum had voiced

1 to you previously about Ellen Kulka and others at the RTC
2 being unfair in the Madison matter if left in control?

3 A No, no, because I had no idea how he was hired or
4 who hired him or anything like that.

5 Q Are you aware that there was any contact between
6 or any communications between any White House officials and
7 officials at the Treasury Department on the subject of Jay
8 Stephens's appointment by the RTC?

9 A No, I was not.

10 Q Have you read about that in the press?

11 A Subsequently I've become aware of that, but at
12 the time that the discussions took place, I had no
13 knowledge of those discussions.

14 Q And so you didn't participate in any preparation
15 for any such communications between White House and
16 Treasury officials?

17 A No, I did not.

18 Q What communications between White House and
19 Treasury officials on the subject of Jay Stephens are you
20 now aware of?

21 MR. BOYD: Wait.

22 THE WITNESS: Let me just -- I think this is sort

1 of beyond the scope, but it was in the newspaper and so
2 forth. I'm aware that there were discussions between
3 George Stephanopoulos and Harold Ickes may or may not have
4 been on this phone call in which Jay Stephens's appointment
5 was raised, and I'm aware what George has said in his
6 public statements, that he blew off some steam to Josh
7 Steiner about that.

8 BY MR. KRAVITZ:

9 Q To your knowledge, did Mr. Stephanopoulos or
10 Mr. Ickes or anyone else at the White House put any
11 pressure on any Treasury Department officials to undo
12 Mr. Stephens's appointment?

13 A Not to my knowledge.

14 Q To your knowledge did Mr. Stephanopoulos,
15 Mr. Ickes or any other White House officials put any
16 pressure on anyone at the RTC to undo Mr. Stephens's
17 appointment?

18 A Not to my knowledge.

19 Q I'm going to show you a document that I'm
20 actually quite confident you've never seen before, but it's
21 a three-page document so take whatever time you need to
22 review it. It's an FD 302 summarizing an interview of Todd

1 Stern, Mr. Podesta's deputy. And it's written by an FBI
2 agent and the date of transcription is 6-24-94 and it's OIC
3 pages 426 through 428.

4 The one paragraph that I'd like to direct your
5 attention is marked with this green tab, and I guess I'd
6 like you to look at that and tell me whether it refreshes
7 your memory as to whether you ever heard anything at the
8 White House about any attempts to contact anyone at the RTC
9 about the Jay Stephens appointment.

10 (Witness reviewed the document.)

11 A Now, what's your question?

12 Q The question is, having read this document, do
13 you have any memory or do you have any knowledge of whether
14 anyone at the White House ever considered contacting anyone
15 at the RTC or ever talked about contacting anyone at the
16 RTC to inquire about the appointment of Jay Stephens?

17 A No.

18 Q I'm going to show you a document marked X000470.

19 A Let me -- on the last question just so I'm --
20 when you say do you have any knowledge whether anybody
21 contacted --

22 Q Or talked about contacting anyone at the RTC to

1 inquire into the circumstances surrounding Mr. Stephens's
2 appointment by the RTC.

3 A Now, do I know that today or did I know that at
4 any relevant time frame? I mean as part of some of the
5 inquiries that I've been involved with, subsequently I have
6 some partial knowledge about those matters, but I didn't
7 certainly know that in any contemporaneous fashion, if
8 that's what you're asking me about.

9 Q I understand that distinction. What do you know
10 on that subject now?

11 MR. BOYD: Wait. Can we talk before you answer
12 that.

13 MR. KRAVITZ: Sure.

14 (Witness conferred with counsel.)

15 MR. BOYD: I believe, which I understand it, that
16 question would elicit either in detail or in general
17 description what he's learned after the subpoenas were
18 served and learned in his capacity as continuing White
19 House counsel function. And I think, one, it's outside the
20 scope of this inquiry, and secondly, it might entail an
21 arguable waiver of work product or other privileges. So I
22 would instruct him not to answer.

1 MR. KRAVITZ: Okay. Let me just make one comment
2 on the record. I think it's clearly not outside the
3 scope. I mean the scope relates to contacts between the
4 White House, Treasury, and the RTC --

5 MR. BOYD: Fair. I think you're right.

6 MR. KRAVITZ: -- relating to Madison.

7 MR. BOYD: I agree. I misspoke in that regard.

8 MR. KRAVITZ: So your objection is
9 attorney-client or attorney work product or is it executive
10 privilege?

11 MR. BOYD: I think that the only protection that
12 I'm in a position to address at this point is one in the
13 nature of work product and attorney-client privilege,
14 insofar as the information that Mr. Klein has is
15 information that he obtained after the fact and as part of
16 his function as continuing White House counsel in the
17 investigations. I'm not in a position to invoke any
18 executive privilege on these issues.

19 THE WITNESS: Let me just -- there are
20 probably -- putting aside any investigation, I don't think
21 there was any specific investigation I did on this matter.
22 I've told you what I read about George Stephanopoulos. I

1 also heard a comment. I can't remember where. Could have
2 been from Todd.

3 BY MR. KRAVITZ:

4 Q Todd Stern?

5 A Todd Stern. It could have been that the process
6 for selecting Jay Stephens was through some bid arrangement
7 or something like that. That's the comment I heard. So I
8 don't -- I want to take the suspicion out of this thing.
9 That's what I know, I think I heard it in a sort of comment
10 kind of way, not as part of any investigation that I was
11 doing or anything or -- but it's conceivable that it was
12 part of something but I don't think so. I think it was, in
13 an offhanded way, somebody said something like well, you
14 know, in the last month or something like that, something
15 like apparently there was a bid process that the RTC had
16 and that's how he was selected. That's what I know about
17 it.

18 Q Your testimony is that you don't know how Todd or
19 whoever made that comment got the information?

20 A Right, right.

21 Q And so do you -- I mean, do you know of any
22 contacts that there have been between Todd Stern or any

1 other White House official and the RTC relating to the
2 RTC's appointment of Jay Stephens?

3 A I don't know if it was Todd; it could have been
4 John Podesta. I don't know of any contacts anyone had.
5 The only discussions I know are what I read about George
6 Stephanopoulos and --

7 Q Josh Steiner?

8 A And Josh Steiner.

9 Q I think I'd shown you X470. Do you know what
10 that document is?

11 A I do know what this is. This is a document,
12 dated March 8th, 1994, that I wrote. This is my
13 handwriting. I think all parts of it are my handwriting.
14 On the left-hand side -- I know what this is. On the
15 right-hand side, it says "WMS 1:20 p.m. MC 5:00 p.m."

16 Q Do you know what those two notations refer to?

17 A Yes, that is my handwriting and that was a
18 contemporaneous note made sometime around March 4th or
19 thereabouts and it was, I had been asked by chief of
20 staff's office to find out who admitted Altman or Hanson,
21 who waived them in. And I believe the answer, I think
22 Roger Altman has a White House pass and Jean Hanson does

1 not. Who waived them in on February 2nd.

2 Let me back this up so you understand the
3 process.

4 Q I think I can figure it out.

5 A You got it. Okay. In other words --

6 Q Why don't you say it for the record.

7 A Basically the way it works, if you are at the
8 White House and you have a visitor come in who doesn't have
9 a White House pass, you have to waive them in. So what
10 McLarty's office wanted to know from me was who waived in,
11 Altman or Hanson on February 2nd, because of course the
12 question was as to who knew about or didn't know about this
13 meeting. So that's what the information was.

14 Q Actually what I thought you were going to say was
15 that this was part of your review of the testimony, the
16 February 24th testimony as to through whom the meeting on
17 February 2nd was set up.

18 A No. I don't think it was specifically. I got
19 this information on 3/4. I think this information was
20 requested of me by Paul Toback in Mack McLarty's office.
21 You get that from the White House security operators and I
22 gave him this and said Williams, Maggie Williams, Margaret

1 Williams had waived Hanson in at 1:20 p.m. And Mack waived
2 her in for a 5:00 appointment. When I say "waived her in,"
3 waived her in for a 1:20 appointment and Mack for a 5:00
4 appointment.

5 Q Does the fact that Mr. McLarty waived Ms. Hanson
6 in for the 5:00 meeting on February 2nd have any
7 significance as to the issue of who at the White House set
8 up that meeting?

9 A No, it doesn't, other than it would have -- could
10 have been in either, whoever set it up, if they asked
11 Mr. McLarty's assistant, Patty, or somebody like that, that
12 would reflect a "per McLarty," but I don't know anything
13 about who set up the meeting and who Roger spoke to and
14 anything like that.

15 Q I interrupted you.

16 A The rest of this, when we got the subpoena, so
17 this note seemed to me to be called for by the subpoena but
18 it seemed rather Delphic so I put a statement on there
19 saying this is a note regarding the times that Hanson was
20 waived in on February 2nd. I got this information on March
21 4th, 1994.

22 Q Do you know whether Jean Hanson in fact came to

1 the White House on 1:20 on February 2nd?

2 A I have no knowledge.

3 Q You don't know about any other meetings she had
4 at the White House on February 2nd?

5 A None whatever. That's a straight computer run I
6 gave you.

7 Q Let me show you a document marked Y16. Do you
8 recognize that exhibit?

9 A I do.

10 Q What is that?

11 A It's a memo that Mr. McLarty put out to the whole
12 White House staff on March 3rd which, around the White
13 House, is referred to as the fire wall memo, and it is
14 instructions regarding any contacts to be made with respect
15 to Madison, Whitewater and related matters.

16 Q And among other things, this memo directs White
17 House staff to inform you about any contacts that any White
18 House staff person receives from Treasury or the RTC
19 related to Madison?

20 A Right.

21 Q Following March 3rd and when this memo went
22 around, has anyone directed any -- to your knowledge, any

1 contacts that they've received from the RTC or the Treasury
2 related to Madison?

3 A Not related to Madison. People, because of this
4 memo, on occasion have said that the RTC called them about
5 a policy issue, let's say wholly unrelated to Madison, but
6 they tell me about that.

7 Q To be careful?

8 A Right. They want to have -- some people over
9 read the memo. But not about -- there's been nobody who's
10 told me about an RTC contact or a contact by them to the
11 RTC or Treasury regarding Madison, Whitewater or any
12 related matter, no, sir.

13 Q I just have one more document to show you. I'm
14 going to show you a two-page document, it's marked Y17 to
15 18. Do you recognize that document?

16 A Yes, I do.

17 Q What is that?

18 A This is a document that was put out on March 11th
19 by Jack Quinn, who is the chief of staff to the vice
20 president, as well as the assistant to the president and
21 myself, and it deals with prohibited contacts on rulemaking
22 matters.

1 Q Why did you and Mr. Quinn put out that
2 memorandum?

3 A As I understand it, this grew out of events that
4 had occurred long -- several months earlier, before I was
5 involved in these events. I would not normally have put
6 this memo out. This was not something that I had been
7 working on, but this was shortly after Mr. Nussbaum had
8 announced his intention to resign and since I was kind of
9 in the fire wall position, Jack asked me if I would sign
10 this as sort of a related matter and only in the broadest
11 sense that it related to prohibited contacts. It had
12 nothing to do with Whitewater or anything like that.

13 Q So this memorandum on March 11, 94 was not put
14 out in response to the subpoena or any of the other issues
15 related to the White House-Treasury contacts?

16 A No, sir.

17 Q The one other area I want to ask you about is
18 having to do with Eugene Ludwig. In December 1993, was it
19 brought to your attention that Eugene Ludwig had had some
20 communications relating to Madison with the president?

21 A Yes.

22 Q And how and when did that happen, that this was

1 brought to your attention?

2 A Can I just say it and then you can ask the
3 follow-ups?

4 Q Sure.

5 A I was at a Renaissance Weekend meeting in Hilton
6 Head, Florida, which is an annual event that I and my
7 family attend. The president was also at this meeting, as
8 was Gene Ludwig. On December 30th, approximately 4:00 in
9 the afternoon, I got a phone call from Neil Eggleston in my
10 office. He was calling from Washington down to Hilton
11 Head. Neil said that Cliff Sloan had received a phone call
12 from Gene Ludwig, and I did not know Mr. Ludwig. Neil said
13 that Gene Ludwig was comptroller of the currency. That
14 Ludwig said to Sloan that the president -- that he had seen
15 the president at Renaissance and the president had said to
16 him that he would like to talk to him about either Madison
17 or Whitewater. I just -- those words in my mind are often
18 one and the same so I can't be sure. But that's what he
19 wanted to talk to him about.

20 Neil said that Ludwig had asked Cliff if he could
21 send him some materials, newspaper articles sort of about
22 the matter. Neil said that Cliff told Ludwig he, Cliff, or

1 somebody else would get back to him on it. That Neil and
2 Cliff had talked about the matter and they thought it was
3 best if there were no conversations between the president
4 and Ludwig about Whitewater or Madison, and I told Neil --
5 Neil gave me that recommendation. And I told Neil that I
6 agreed with it and that I would handle the matter from
7 there and to tell Cliff not to get back to Ludwig and he,
8 Neil, shouldn't get back to Ludwig.

9 Q How did you handle the matter?

10 A As I say, this was about 4:00, 4:15. I went to
11 the meeting hall at Renaissance -- they have these
12 discussion groups and everything -- and I walked in, the
13 president was there and I said at the end of the discussion
14 or whatever I said, can I, I need to see you for a second.
15 So he stepped out and I said, Mr. President, I said Ludwig
16 had called the counsel's office and said you wanted to talk
17 to him at some point about Madison or Whitewater. And the
18 president said to me, oh yeah, he said I had wanted to ask
19 him about if there were people he knew in the banking or
20 real estate community that might be able to write op ed
21 pieces, get our story out in the public, because this
22 Whitewater story was then much in the newspaper. The week

1 before Hilton Head there was a whole bunch of stuff.

2 And so that's what the president said. He said
3 he wanted to get the story out in the newspaper. I said to
4 him, Mr. President, any discussion between you and the
5 comptroller of the currency, even about a matter like that,
6 could be misunderstood. I think it's better if you have no
7 discussions with Ludwig about it. He said that's fine.
8 Why don't you go ahead and tell Ludwig that.

9 Q Have you told us, to the best of your
10 recollection, exactly what the president said to you during
11 this conversation on December 30th, 1993?

12 A To the best of my recollection, he told me what I
13 said.

14 Q When you spoke with Mr. Eggleston before you
15 spoke with the president that day, did Mr. Eggleston tell
16 you that Mr. Ludwig was saying that the president had
17 requested advice and counsel as to how to deal with the
18 Madison issue?

19 A No, sir.

20 Q And when you spoke with the president, your
21 memory is that the president said absolutely nothing about
22 having asked Mr. Ludwig for advice or counsel?

1 A That's correct.

2 Q Did you speak with Mr. Ludwig after you spoke
3 with the president?

4 A I did. Actually I left the president, I went
5 back to my room and I called Ludwig, whom I say I'd never
6 met, and he was not in. This was probably by now 5:00,
7 5:15. That night a friend of mine from Washington who
8 happened to be down here, David Ifshin, had a dinner and
9 that he invited about 10 couples at some restaurant and I
10 went to the dinner, and lo and behold, there was Ludwig.

11 So I introduced myself to him and I said can we
12 talk for a second. And he said yeah, and I said look, I
13 understand you called Cliff, and I've talked to the
14 president, and I think that you shouldn't have any further
15 discussions about the matter.

16 Q What did Mr. Ludwig say?

17 A He said something to the effect of why are you
18 getting in the middle of this or something like that, and I
19 said because I thought it was my responsibility to, you
20 know, advise about these matters. And I thought it was
21 really best for all concerned that there be no further
22 discussions about it.

1 Q What did Mr. Ludwig say after that?

2 A You know, essentially said basically that he --
3 I'm trying to think of the words. It was sort of well, you
4 know, I'm not sure whether you should decide what
5 discussions I have with the president or something like
6 that. And I said look, I've just, you know, I've talked to
7 the president and that's the end of it, and I don't think
8 you should have those discussions.

9 And in any event, the president doesn't want to
10 have those discussions so I think that closes the matter,
11 and I don't think you ought to worry about it. I don't
12 think this is somehow that -- you know, your inability to
13 have these discussions is some bad thing for you or
14 anything like that. That was where it was.

15 Q Did Mr. Ludwig say anything to you about having
16 consulted any lawyers or other officials at the Treasury
17 Department on the subject of whether he should be talking
18 to the president?

19 A He said nothing about that to me, no, sir.

20 (Recess.)

21 BY MR. KRAVITZ:

22 Q Mr. Klein, have you ever had any additional

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1 conversations with President Clinton regarding his
2 conversation on December 30th with Mr. Ludwig?

3 A I was present at one of the sessions with respect
4 to the president's preparation for his deposition by
5 Mr. Fiske and this issue came up in that discussion, yeah.

6 Q And did Mr. Clinton make any statements during
7 that preparation session regarding his conversation with
8 Mr. Ludwig on December 30th?

9 A I believe he did.

10 Q What did Mr. Clinton say during this preparation
11 session about his December 30th, 1993 conversation with
12 Mr. Ludwig?

13 A He said essentially what I've said here today I
14 believe. He said that he remembered the original
15 conversation. He remembered that I had come to talk to him
16 and that I had given him the advice I gave him, and that I
17 think he said he subsequently had actually seen Ludwig and
18 told Ludwig the same thing that I had told Ludwig, that
19 there was no -- that they shouldn't discuss the matter.

20 Q During this preparation session before
21 Mr. Clinton's deposition by Mr. Fiske, did Mr. Clinton say
22 anything to indicate that he had asked for Mr. Ludwig's

1 advice or counsel during their initial conversation on
2 December 30th?

3 A No, sir.

4 Q Have you had any subsequent contacts or
5 communications with Mr. Ludwig since the time that you
6 spoke with him at the restaurant at dinnertime that you've
7 already testified about?

8 A I believe I had one additional discussion with
9 him.

10 Q On this subject, I mean was it related to his
11 communications with the president?

12 A It was the following -- I don't want to quibble
13 about words. At some point, I believe it was after Roger
14 Altman recused, but I could be wrong -- at some point I got
15 a call from Gene Ludwig telling me that he was putting the
16 recusal letter in his file with respect to any
17 Whitewater/Madison matter or something to that effect.

18 Q Mr. Ludwig told you that he was putting his own
19 recusal letter in?

20 A His own recusal letter.

21 Q Into his own file?

22 A Right.

1 Q In other words, he was recusing himself from any
2 consideration as comptroller of the currency as related to
3 Madison?

4 A Right, yeah.

5 Q Did you ever receive a copy of the letter that
6 Mr. Ludwig was referring to?

7 A No.

8 Q And is that the only further contact that you had
9 with Mr. Ludwig relating to either to Madison or to his
10 conversation with the president?

11 A Correct.

12 MR. KRAVITZ: Thank you. I have no further
13 questions.

14 THE WITNESS: Thank you.

15 EXAMINATION

16 BY MR. BRAUNREUTHER:

17 Q Mr. Klein, good afternoon. My name is Joe
18 Braunreuther. I'm deputy special counsel for the minority
19 members of the Banking Committee, and on behalf of the
20 committee, I wanted to thank you for being here today and
21 spending time on a weekend answering questions, which I
22 know has got to be an imposition, probably one too common

1 to you these days. But at any rate I want to extend our
2 thanks.

3 I am going to be asking some questions. I do
4 have many follow-up questions in some of the same areas. I
5 will attempt to avoid repeating as much as I can but
6 unfortunately it will be follow-up questions and there will
7 be a little bit of repetition.

8 On the last subject that you were testifying to
9 which pertains to Mr. Ludwig's contacts with the president,
10 I have a letter dated March 11th from Mr. Ludwig to Ed
11 Knight, regarding a grand jury subpoena where he recounts
12 some of these contacts and I'd like to read some of his
13 reflections on the contacts and see how they comport with
14 your recollection of the facts, to the extent you may have
15 some recollection.

16 A Sure.

17 Q At one point Mr. Ludwig states the following:
18 "During the Renaissance Weekend gathering that took place
19 in Hilton Head, South Carolina over the most recent New
20 Year holidays, the president asked me whether it would be
21 permissible for me as a lawyer knowledgeable about banking
22 law to provide advice and counsel on any of the legal

1 regulatory issues relative to the Whitewater matter.
2 Beyond asking this question the only information I
3 recollect that he imparted to me was that he had done
4 nothing wrong and moreover had lost money in the
5 transaction."

6 In your discussions with the president or with
7 Mr. Ludwig, did either of them indicate that the
8 discussions between the two involved a statement by the
9 president to the effect that he had lost money and had done
10 nothing wrong?

11 A No, sir.

12 Q And I believe you testified you did in fact talk
13 to the president about his discussions with Mr. Ludwig;
14 right?

15 A I talked to -- at the time that I talked to the
16 president in Hilton Head, I testified to what the substance
17 of that was and then there was the further question I was
18 asked, about the preparation for the deposition with
19 Mr. Fiske and in those two contexts I supplied the
20 information that I know about.

21 Q Do you have reason to believe that Mr. Ludwig's
22 recollection of the conversation, and in particular his

1 statement that the president related that he had done
2 nothing wrong and moreover had lost money in the
3 transaction, is incorrect?

4 A What I can tell you is that in all of my
5 discussions with respect to Mr. Ludwig, the president or
6 Neil Eggleston in my office or Cliff Sloan in my office,
7 nobody ever told me that the president said that to Ludwig.

8 Q And with respect to Mr. Ludwig's statement that
9 the purpose of the contact -- well, I want to be clear
10 about this -- that the president had asked Mr. Ludwig "to
11 provide advice and counsel on any of the legal regulatory
12 issues relative to the Whitewater matter." Do you have
13 reason to believe that that is accurate or inaccurate based
14 on your own involvement in this matter?

15 A Again, based on my own involvement, none of the
16 people that I discussed this matter with either
17 contemporaneously or subsequently said to me -- that
18 includes Sloan, Eggleston, Ludwig and the president -- none
19 of those people said to me that Ludwig had asked -- the
20 president had asked Ludwig for counsel and advice with
21 respect to these matters.

22 Q So to the best of your knowledge, this

1 characterization by Mr. Ludwig is inaccurate?

2 A To the best of my -- I have no information to
3 confirm that characterization. Nobody in this process told
4 it to me. I was not privy to the specific discussion
5 you're referencing. I was not there when these two people
6 spoke, but in the chain of events that I was involved in,
7 nobody else told me that those words were said or words to
8 that effect were said.

9 Q And when Mr. -- I'm sorry, when the president
10 described his recollection of his discussions with
11 Mr. Ludwig, he described the purpose of the meeting to be
12 to determine whether Mr. Ludwig could assist in the
13 preparation or contacts leading to op ed pieces regarding
14 this incident?

15 A The president said to me that what he had wanted
16 to talk -- this is a future discussion -- what he wanted to
17 talk to Ludwig about was did he know people who could write
18 op ed or similar kinds of things to get our story out in
19 the public domain. That's what he said to me.

20 Q You know what the president said to you about his
21 recollection of the meeting and I've read to you what
22 Mr. Ludwig wrote regarding his recollection. In your

1 opinion, are those two accounts inconsistent with one
2 another?

3 A I mean, I don't think that's a fair question. I
4 mean, I can give you the facts. I think people can draw
5 the conclusions they want to draw from it.

6 Q I guess my question is was the nature of your
7 discussion with the president such that he would not have,
8 in the course of answering your questions, disclosed these
9 kinds of information if it had occurred?

10 A Based on my discussion with the president, I do
11 not believe the president was seeking counsel and advice
12 from Mr. Ludwig.

13 Q Mr. Ludwig continues and states "prior to
14 discussing the matter with the president, I sought the
15 advice of White House counsel's office and others regarding
16 the permissibility of discussing Whitewater with the
17 president. I spoke with Treasury General Counsel Jean
18 Hanson and White House Counsel Bill Kennedy and Joel
19 Klein. If my memory serves me correctly, I might have
20 spoken with Joshua Steiner or others briefly trying to
21 track down Miss Hanson at the White House since this was a
22 holiday weekend."

1 Although the paragraph continues, and you are
2 certainly free to read it in context if you'd like, is it
3 your recollection that Mr. Ludwig had actually spoken to
4 the president before he had gotten any kind of approval
5 from White House counsel's office through the contacts
6 which you had previously explained?

7 A Spoken to them, I'm not sure I'm following.

8 Q Apparently the quote I read to you seems to
9 indicate that, in Mr. Ludwig's recollection, he had
10 authority or he had cleared his contact with the president
11 through the White House counsel's office. Is it your
12 recollection that his contact with the president preceded
13 any contact to -- I guess the first contact was to Neil
14 Eggleston; right?

15 A Cliff Sloan.

16 Q Cliff Sloan.

17 A As I understand the events, again there was
18 nobody in the White House counsel's office, not Cliff Sloan
19 that I know of, not Neil Eggleston, nobody in the White
20 House counsel's office authorized Ludwig to talk to the
21 president about any matters relating to Whitewater or
22 Madison Guaranty, if that's in -- if I take your question.

1 Q Mr. Ludwig states that "the other occasion
2 occurred on January 19th, 1994 when I contacted Margaret
3 Williams of the White House staff and offered my own
4 unsolicited view that the White House should promptly
5 provide full public disclosure of all materials associated
6 with Whitewater, if that had not already been done."

7 Do you have any independent knowledge or
8 information pertaining to a contact between Mr. Ludwig and
9 Ms. Williams on or about approximately January 19th?

10 A Only what I've read in the newspapers in the last
11 few days. I had no contemporaneous knowledge or no
12 knowledge before that matter was in the newspaper last
13 week.

14 Q And at another section of his letter Mr. Ludwig
15 states "as part of the chief counsel's office review we
16 also interviewed other OCC staff members and had them
17 review their meeting schedules and telephone logs. As a
18 result of that review, a number of references to routine
19 meetings and other contacts with various members of the
20 White House or Treasury staffs have also been identified.
21 Because none of my staff members can recall any substantive
22 conversations about Whitewater with anyone from the White

1 House or Treasury, I'm not enclosing any of these schedules
2 of logs."

3 Do you have any knowledge of any additional
4 contacts between Mr. Ludwig or individuals on his staff
5 with White House officials regarding
6 Madison/Whitewater-related matters?

7 A Other than the one I revealed before about a call
8 to me concerning that he was going to put a note of recusal
9 in his file, that's the only other one I know about.

10 Q And you've told us everything you know about the
11 Ludwig contacts to the president or the White House at this
12 point?

13 A I've told you everything I know that's responsive
14 to your questions and is, you know, and if you ask me
15 another question I possibly could remember something else,
16 but I've tried to answer as truthfully, as
17 straightforwardly as I can.

18 Q Do you recall -- and I'm not clear of my facts.
19 Do you recall an incident when there is going to be a
20 cabinet meeting, apparently Secretary Bentsen would be
21 attending, and it was anticipated that in the cabinet
22 meeting there would be a discussion of the Whitewater

1 matter?

2 A I don't recall such a thing, no.

3 Q Do you have any recollection that a Ms. Christine
4 Varney interceded in a planned cabinet meeting which was
5 intended apparently at the end of 1993 or early 1994 to be
6 a discussion of the Whitewater matter and which Mr. Bentsen
7 was intending to attend?

8 A I don't know anything about that.

9 Q So you would have no knowledge about whether
10 Secretary Bentsen did not attend due to his role as the
11 chairman of the oversight board?

12 A No, sir.

13 Q Do you know who Christine Varney is?

14 A I do.

15 Q I take it she is the secretary to the cabinet?

16 A She's the cabinet secretary.

17 Q My facts about who intervened and who didn't
18 intervene may not be accurate. It's been suggested to me
19 it may have been Mr. Steiner.

20 I take it from your testimony you have no
21 recollection of an incident in which Secretary Bentsen was
22 going to attend a cabinet meeting and didn't because of a

1 potential conflict arising with respect to the Madison
2 case?

3 A You're correct.

4 Q Directing your attention to the period from,
5 let's take early January to approximately February 24th,
6 during which at some point you did have some discussions
7 with Mr. Nussbaum regarding Mr. Altman's recusal?

8 A Uh-huh.

9 Q Do you recall what the recommendation of Jean
10 Hanson was with respect to recusal?

11 A During this time frame, no, sir.

12 Q Do you recall ever discussing with Mr. Nussbaum
13 the opinions of Mr. -- of Ms. Jean Hanson or Ms. Ellen
14 Kulka or Mr. Ryan regarding Mr. Altman's proposed recusal?

15 A No, sir.

16 Q Would it have made -- in your opinion, would it
17 have been relevant to consult with Ms. Hanson -- excuse
18 me. Withdrawn.

19 Would it have been relevant for Mr. Altman to
20 consult with Ms. Hanson, Ms. Kulka or Mr. Ryan to obtain
21 their recommendation with respect to recusal?

22 A I've never formulated an opinion on that.

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1 Q And do you know whether Mr. Nussbaum was aware of
2 what their recommendations were with respect to recusal?

3 A I don't.

4 Q Did Mr. Nussbaum ever relate to you that it was
5 Mr. Altman's contention that he would follow the
6 recommendations of Ms. Kulka with respect to the Madison
7 case?

8 A If you are talking about prior to the 24th, the
9 answer is no.

10 Q Yes, sir.

11 A The answer is no.

12 Q Subsequent to the 24th, did Mr. Nussbaum or
13 anyone else alert you to the fact that Mr. Altman had
14 expressed the point of view that he would follow
15 Ms. Kulka's recommendations with respect to the Madison
16 Guaranty case?

17 A In the course of my work subsequently, in my
18 responsibilities with respect to subpoena compliance and/or
19 the preparations for this hearing, I have heard that
20 statement made, yes.

21 Q Do you know whether anyone within the White House
22 was aware that Ms. Kulka's recommendation with respect to

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1 recusal was that he should or shouldn't recuse himself?

2 A I don't know.

3 Q Continuing with the recusal decision, I believe
4 you testified that one of the considerations at the time --
5 and roughly the period of time would be February, early
6 February up till February 24th -- was the rocky road that
7 Ms. Ricki Tigert had encountered in her confirmation
8 process; is that right?

9 A I don't know if I used the term "rocky road."

10 Q No, I think someone else may have used that and I
11 have adopted that.

12 A What's your question? Is that one of what
13 considerations?

14 Q In evaluating Mr. Altman's recusal, I believe you
15 said that one of the concerns expressed by Mr. Nussbaum was
16 that it came in the context of or came at a time when Ricki
17 Tigert herself was encountering difficulties with her
18 confirmation?

19 A It came at a time when the issue of her recusal
20 had been raised by the Senate committee and it came in that
21 context, yes.

22 Q And that was one of the concerns that

1 Mr. Nussbaum had in terms of not acquiescing to what would
2 proceed to be unfair demands for recusals?

3 A Yes.

4 Q The recusal that Mr. Altman was confronting --

5 A Just so you understand on the last answer, that
6 is a discussion that Mr. Nussbaum and I had, that he
7 expressed a concern that political pressure had been
8 brought to bear on people to recuse themselves. And he
9 expressed the concern to me that he thought that was
10 unfortunate that such political pressure was being brought
11 to bear.

12 Q Not that he communicated that necessarily to
13 Ms. Tigert; that's your point?

14 A Yes.

15 Q I didn't intend to --

16 A I didn't want to suggest you suggested it. I
17 just wanted to be clear for the record.

18 Q Now you stated with respect to that matter that
19 it was your mutual view, you and Mr. Nussbaum, that
20 Ms. Tigert should make that determination ultimately?

21 A Yes.

22 Q Is that your view?

1 A That is my view, yes.

2 Q And do you share the same view with respect to
3 Mr. Altman, that ultimately it was up to Mr. Altman to make
4 a decision independently as to whether or not he should
5 recuse himself?

6 A With the exception of "independently." I don't
7 know what you -- but my view was the decision of whether he
8 should recuse himself was his to make, yes.

9 Q And that decisionmaking process should be free of
10 interference from the White House?

11 A That is my view, yes.

12 Q I see you hesitate for a second. Is that because
13 you feel that there is maybe some role for the White House
14 in informing Mr. Altman about what the law is in the area?

15 A The only hesitation I had is that it depends what
16 one means by the word "interference." That's what I was
17 thinking about, what you meant.

18 Q Maybe, perhaps a better word is "influencing" the
19 decision confronting Mr. Altman as to whether he should
20 recuse himself. Do you have a view as to whether or not it
21 would have been appropriate for the White House to
22 influence Mr. Altman's decision regarding recusal?

1 A I don't think the White House should influence
2 Mr. Altman's views regarding recusal.

3 Q Regardless of whether the White House intends to
4 influence Mr. Altman's decision, do you have a view as to
5 whether Mr. Altman should allow himself to be influenced by
6 what he perceives to be the White House view on the issue?

7 A Speculation. I don't know what Mr. Altman should
8 or can do. I just don't have a view on that.

9 Q The issue of recusal in this case is an issue
10 which is an issue in a specific case, that is the Madison
11 Guaranty case; right?

12 A I'm not -- I don't want to be cute about this.
13 I'm not sure exactly what you are saying, the issue of
14 whether Mr. Altman was going to recuse himself is an issue
15 with respect to the Madison Guaranty matter. Is that the
16 question?

17 Q Correct.

18 A Yes.

19 Q There has been -- since you've been very direct
20 about these things, let me share with you that there has
21 been some suggestion that that -- whether or not recusal is
22 appropriate may not be a case-specific matter.

1 A Right.

2 Q In your view, in this particular case was
3 Mr. Altman's decision whether to recuse himself one which
4 related to a specific case?

5 A Yeah.

6 Q And the particular case was the Madison Guaranty
7 action and was at a time when a decision needed to be made
8 as to whether an action should be commenced, whether a
9 statute of limitations should be -- whether a tolling
10 agreement should be sought; is that right?

11 A I don't know -- you are talking two different
12 things. There is a question of specific decisions and then
13 this question of a specific matter. As I understand the
14 question what the RTC was looking into at the time was a
15 question of civil remedies with respect to the Madison S&L
16 failure, whether the government could pursue civil remedies
17 against individuals.

18 Q Let's put it in that period, approximately
19 February 1st through February 24th when the hearings
20 occurred, did you understand that there was a statute of
21 limitations which would be expiring as of February 28th?

22 A That was an issue, yes.

1 Q And did you understand that the decisionmaker in
2 the Madison case, whether it be Mr. Altman or Ms. Kulka,
3 needed to make a determination whether to commence the
4 action, whether not to pursue the action at all or whether
5 to seek a tolling agreement?

6 A I mean, I understand that those are the range and
7 there may have been other options, that if one is looking
8 forward a statute of limitations that's likely to run that
9 a decisionmaker has to make a decision. And I understood
10 that to be the case, yes, but all I want to make clear
11 again, just so the record is clear, when somebody says "a
12 matter," to me I don't think that a matter is a
13 decision-specific thing.

14 In other words, that you first decide about
15 statute of limitations, then you decide about which
16 individuals and whatever. I think that's part of the
17 Madison Guaranty matter. That's all I meant.

18 Q Right. So all issues with respect to the Madison
19 Guaranty case, whether it be commencing an action, statute
20 of limitations or other issues which typically arise in a
21 case, were subsumed in a recusal decision?

22 A Exactly. I mean that's the way I view the

1 matter. I don't know what was subsumed in other people's
2 decisions. That's my view of it. That's what I'm trying
3 to explain to you.

4 Q And was it your view at the time that, if
5 Mr. Altman recused himself, that those decisions would fall
6 to Ms. Kulka?

7 A I don't know who they would fall to. I was
8 unaware of exactly who, you know, what the structure of the
9 RTC. What I knew was, if he recused himself, he would not
10 be making them. That's what I knew.

11 Q And did you have an impression from the number of
12 discussions that you had with Mr. Nussbaum that, at least
13 in Mr. Nussbaum's mind, those decisions would then have to
14 be made by Ellen Kulka?

15 A They may have been made by Ellen Kulka or they
16 may have been made by somebody else but that she would have
17 a -- she would be a principal decisionmaker, that's my
18 understanding.

19 Q Now, from your -- how many discussions did you
20 have with Mr. Nussbaum, to the best of your recollection,
21 during this period of time about Ellen Kulka and
22 Mr. Altman's or Mr. Altman's recusal decision?

1 A Probably, as I said, I think three or four,
2 probably could be five, that kind of thing.

3 Q And during the course of those discussions, did
4 you understand that Mr. Nussbaum's concern was that
5 Ms. Kulka would unfairly or inappropriately not bring a
6 case or that she unfairly or inappropriately might bring a
7 case?

8 A I don't think it's a question of bringing a case
9 or not bringing a case. It's that his concern was that she
10 would be very difficult to deal with, that she had been
11 unreasonable in the Kaye, Scholer matter, that she does not
12 exercise good judgment, those kinds of things. It wasn't,
13 not in terms of what specific action or inaction she would
14 take. It was more at the general level.

15 Q And I think you made the point that it's unfair
16 to just focus on one issue. There's a whole set of
17 different issues that a decisionmaker might have to make in
18 any given piece of litigation?

19 A Sure.

20 Q Now, if I understand correctly, White House
21 counsel's office would not be dealing ultimately with
22 Ms. Kulka on these issues; it would be Mr. -- I believe the

1 president's private attorney; correct?

2 A On any private remedy or actions that the RTC
3 would take with respect to the president?

4 Q Correct.

5 A If that's the question or that might take, yes,
6 the president's private counsel would be dealing with the
7 RTC on those matters.

8 Q So as a practical matter, the anticipated
9 problems that Ms. Kulka might present in terms of
10 unfairness or poor judgment or the other adjectives that
11 we've come up with would not really be one that
12 Mr. Nussbaum would deal with directly; it would be issues
13 that Mr. Kendall would ultimately have to deal with?

14 A I suppose, sort of like this seems to me to be
15 like argument, if you know what I mean. It seems -- I
16 don't know. If you take all these pieces, that's the
17 conclusion that one comes to, yes, but I didn't think about
18 it in that way.

19 Q Fair enough. Do you recall whether there was a
20 question whether you learned that there had been a request
21 that someone brief -- withdrawn.

22 Did you learn at some point that there had been a

1 request made at the February 2nd meeting that the RTC
2 attorneys who were handling this matter brief the
3 president's private attorney?

4 A I learned that subsequent to all these events
5 that we've discussed. I never learned that other than in
6 my capacity in terms of documents and subpoenas and stuff
7 like that. But when the meetings occurred and stuff like
8 that, I didn't-I happened to see a document that reflected
9 that something like that.

10 Q So you had no independent knowledge of that in
11 February of 1994?

12 A Exactly. At least prior to February 24th, in any
13 event, that I'm confident of.

14 Q So in the course of your discussions with
15 Mr. Nussbaum, he did not disclose to you that such a
16 request had been made?

17 A Correct.

18 (Discussion off the record.)

19 BY MR. BRAUNREUTHER:

20 Q Do you know whether the views that Mr. Nussbaum
21 expressed to you about Ms. Kulka were also made known by
22 him or others at the White House to Mr. Altman?

1 A I don't know that.

2 Q For example, do you know whether in the February
3 2nd meeting Mr. Nussbaum made clear to Mr. Altman and to
4 Ms. Hanson that he did not, Mr. Nussbaum did not hold
5 Ms. Kulka in high regard?

6 A I don't know that. Let me say this: As of
7 and -- I'm going to sort of draw this line and as of --
8 other than in my post-February 24th roles, where various
9 bits and pieces of evidence and information, prior to that
10 I had never heard that anything about Mr. Nussbaum
11 bringing -- mentioning this at the February 2nd meeting.

12 Q What I'd like to do if it's possible, if we could
13 move it up to March 4th, and by that, I mean I assume after
14 the subpoena was served, as you described, you did have
15 some continuing role with respect to --

16 A Yeah, that's fine. March 4th is fine.

17 Q I'd prefer, because I believe during the period
18 February 24th, through March 4th, you did develop certain
19 investigation with regard to addressing testimony?

20 A That's perfectly reasonable.

21 Q And to include that knowledge, did you at any
22 time develop any understanding whether at the February 2nd

1 meeting Mr. Nussbaum or others on the White House staff had
2 made it clear to Mr. Altman that they did not feel
3 comfortable with Ms. Kulka becoming a decisionmaker in this
4 case?

5 A Given the March 4th deadline that we're working
6 under, the answer is no.

7 Q Do you know whether Mr. Nussbaum or others at the
8 White House informed Mr. Altman what they thought about
9 Ms. Kulka other than the February 2nd meeting?

10 A No.

11 Q And again, am I correct, based on your knowledge,
12 up to February 4th?

13 A March 4th.

14 Q Excuse me.

15 A The answer is no.

16 Q Do you have any knowledge about a meeting which
17 occurred at the White House approximately February 3rd or
18 February 4th involving Mr. Altman and, I believe, Mr. Ickes
19 and Mr. Eggleston regarding recusal?

20 A No.

21 Q Did anyone, in the course of your
22 information-collecting process during the first week of

1 March, disclose to you that Mr. Altman and Ms. Hanson
2 actually came to the White House shortly after the February
3 2nd meeting to discuss the issue of recusal?

4 A Not that I recall.

5 Q Let me suggest to you that there was a meeting,
6 there is independent evidence in the record that a meeting
7 did occur on approximately February 3rd where Mr. Altman
8 reported to an individual at the White House -- and I
9 believe, if my recollection is correct, included
10 Mr. Eggleston, Ms. Maggie Williams and Mr. Ickes -- that he
11 in fact was going to recuse himself.

12 Is it your testimony that at no time prior to
13 March 4th did anyone apprise you of that contact.

14 MR. KRAVITZ: I'm going to object. I have a
15 completely different recollection of the testimony in the
16 record which is that in fact on February 3rd Mr. Altman
17 came over.

18 BY MR. BRAUNREUTHER:

19 Q I'm sorry. I may have misspoke. That he was not
20 going to recuse himself?

21 A Nobody apprised me of that fact before March 4th.

22 Q In the process of questioning individuals during

1 the week of February 28th to March 4th, were you trying to
2 identify all White House-Treasury contacts that had taken
3 place?

4 A No, sir.

5 Q Do you have any knowledge -- well, if you don't
6 know about the meeting, I take it you have no understanding
7 of what the circumstances were about such a meeting and who
8 initiated it or how long it lasted?

9 A You are correct.

10 Q You testified earlier that with Mr. Nussbaum,
11 during that February period from approximately February 1st
12 to February 24th, mentioned to you that there had been a
13 meeting on February 2nd where the subject of Mr. Altman's
14 recusal was raised and you were concerned about the
15 prudence of conducting such a meeting. Do you recall your
16 earlier testimony with respect to that?

17 A Well, I think -- obviously my testimony is what
18 it is. But generally speaking, I think that that reflects
19 it, yeah.

20 Q I believe you also referred to it as though it
21 could become or it could be problematical?

22 A Right.

1 Q Did you share your view, that this kind of a
2 meeting could be problematical, with Mr. Nussbaum?

3 A I don't believe I did it at that particular time,
4 but that is, I think if you are talking about when he
5 mentioned to me that he had such a meeting, I don't think I
6 said to him it could be a problem.

7 Q At any time prior to February 24th, did you have
8 discussions with other White House officials regarding the
9 possible problems that might arise out of that February 2nd
10 meeting?

11 A I don't believe so.

12 Q Did you ever suggest to anyone that further
13 meetings of the same nature shouldn't be held prior to
14 February 24th?

15 A I don't recall doing so.

16 Q I believe you stated also that a meeting of this
17 nature, where the White House discussed recusal with
18 Mr. Altman, could be misconstrued or misunderstood. Can
19 you expound in your own words what your particular concern
20 would be in that regard?

21 A You know, I think sort of what I said before
22 there are two dimensions to it, as I think I've said on

1 several occasions now. I think the White House shouldn't
 2 influence that kind of decision, shouldn't pressure
 3 Mr. Altman or anybody else with respect to that kind of
 4 decision. I didn't have any knowledge, don't have any
 5 knowledge that that's what happened, but that was my
 6 concern.

7 The misconception is that in any such meeting
 8 that occurs like that, people either will think or will
 9 infer or might believe or you could be criticized for it,
 10 that possibility. That's what my concern was, and I think
 11 I explained that's why I think that's a question of
 12 prudence.

13 Q Accepting that you're not stating an opinion that
 14 it occurred at all, your concern was, however, that it
 15 could be perceived -- even to discuss recusal could be
 16 misconceived down the road as some kind of an influence on
 17 the president?

18 A Could be perceived as some kind of influence on
 19 the decisionmaker.

20 Q Which would be inappropriate if it had occurred?

21 A If there were in fact pressure on a decisionmaker
 22 that would, in my view, as I've said, be inappropriate.

1 Q In the course of your interviewing various
 2 individuals during the first week of March, did anyone
 3 discuss with you what the participants to the February 2nd
 4 meeting had said during the course of the meeting?

5 A No.

6 Q Did anyone relate to you that Maggie Williams had
 7 spoken out with respect to the recusal issue?

8 A No. The only thing -- I want to back up on my
 9 last answer, may not be accurate. That is I think there
 10 was some discussion about what was said with respect to
 11 recusal. I think I asked Neil and he may have mentioned he
 12 said I believe, I believe he said that Roger had raised the
 13 question of recusal -- Neil meaning Neil Eggleston -- that
 14 Roger Altman had raised the question of recusal and that --
 15 here is what I'm hesitating on is I don't know whether he
 16 said or I subsequently learned, this is just one where I'm
 17 not going to be able to draw a sharp line -- that Bernie
 18 had raised the issue of Ellen Kulka. I just don't know
 19 whether that was said there or I might have learned that
 20 subsequently, whether Neil had mentioned that to me. I
 21 just can't pinpoint it to you.

22 But in one or the other of those iterations,

1 either in asking Neil about the February 2nd meeting,
2 before March 4th or sometime afterward, I came to some
3 knowledge that Bernie raised Ellen Kulka's name at that
4 February 2nd meeting, I believe.

5 Q Do you have recollection as to whether the
6 reference to Ms. Kulka, to the extent you did learn about
7 it, was a complimentary or critical reference?

8 A I think he -- my general sense is that the
9 reference was unfavorable.

10 Q Do you have any similar knowledge as to whether
11 or not, at that February 2nd meeting, various people did or
12 did not express their views that political appointees
13 should stand up to political pressure regarding recusal?

14 A I don't recall that, no.

15 Q Do you have any knowledge as to whether or not
16 Ms. Williams made a comment with respect to recusal at the
17 meetings?

18 A I don't.

19 Q Can you give -- Maggie Williams, I understand, is
20 the chief of staff for the first lady; is that right?

21 A That's correct.

22 Q Can you give me any insight from your own

1 perspective why someone in Mrs. Williams's position would
2 be involved in a meeting regarding the statute of
3 limitations -- statute of limitations and recusal on the
4 Madison Guaranty case?

5 A I mean, I assume somehow she was asked to come to
6 the meeting. I don't --

7 Q Tell me if you disagree, that obviously chief of
8 staff represents in many respects the interests of the
9 first lady; correct?

10 A Yeah.

11 Q Do you have a view as to whether or not her
12 attendance at that meeting was intended to reflect or be on
13 behalf of the first lady, to report back and monitor the
14 situation?

15 A If you want my opinion, if you really do, I'll
16 tell you what my opinion is, if that's what you want.

17 Q Sure.

18 A My opinion is that the first lady, and the
19 president both but the first lady in terms of your question
20 was -- her office was besieged with phone calls about
21 Whitewater, Madison, so forth and so on. So as chief of
22 staff, Maggie Williams was involved in several meetings

1 regarding those matters because they were coming to her
2 office all the time. That's my opinion. I don't set up
3 the meetings. I didn't invite the people but if you are
4 asking me for my opinion, that's what I believe.

5 Q And if you're going to have, within the White
6 House, a meeting with respect to Whitewater in that context
7 that you described where the first lady is being besieged
8 by phone calls and it's a high profile issue, it would be
9 reasonable to involve Maggie Williams in those meetings?

10 A I would think that's correct, yeah. If you want
11 my opinion on these matters I would think it's reasonable.
12 I haven't given this a tremendous amount of thought but
13 that would be, off the top of my head, my opinion.

14 Q Do you know whether Maggie Williams was actually
15 a part of the Whitewater response team as it has been
16 referred to?

17 A I know certainly at some of the meetings that I
18 was at, I think Maggie was at. Not at all the meetings but
19 some, yes.

20 Q And in the case of having a response team, is it
21 fair to say that everyone is intended to participate in a
22 meeting to make a different contribution or to serve a

1 different function, even if it's just a reporting function?

2 A No, that's not a fair statement.

3 Q Can you describe how in your words these groups
4 are informally put together? And I realize there are no
5 hard and fast rules.

6 A In a typical sense you will say -- I'll give you
7 the way this kind of thing will work in general. I don't
8 know specifically who put together this group, but let's
9 say you're going to have a White House group on civil
10 justice reform. So the chief of staff could say to legal
11 counsel's office, you convene the group and get the right
12 players. So we would then invite, let's say the chief of
13 staff asked Bernie, then Bernie would invite somebody from
14 the Domestic Policy Council, somebody from the political
15 operations and so forth, and then those people might bring
16 a second or third person on their staffs. So to the extent
17 that they had additional staff, then those people might
18 well play a sort of duplicative role or something like
19 that. And even within their various perspectives,
20 sometimes you could have a meeting -- I've been in numerous
21 meetings with George Stephanopoulos, Bruce Lindsey, David
22 Gergen, where they play very similar kinds of roles, not

1 that they have similar conclusions but they're senior
2 advisors. Mack McLarty, Harold Ickes.

3 So that's the way it would work. On this thing
4 there were several people. I don't know that each person
5 thought he had or she had a distinct function to play.

6 Q To the best of -- well, in your opinion, what
7 role did Maggie Williams have to play to the extent she
8 participated on the response team?

9 A Well --

10 MR. BOYD: At this point we've been discussing
11 the response team at some length. It's my understanding
12 that the response team is outside the scope of this current
13 inquiry and on that basis, I would instruct him not to
14 answer any further.

15 MR. BRAUNREUTHER: I can tell you that the
16 witness has been very cooperative.

17 MR. BOYD: I understand that.

18 MR. BRAUNREUTHER: And I certainly don't want to
19 be overbearing on this issue because he has. I think there
20 is an abundance of testimony in the record with respect to
21 the response team.

22 MR. BOYD: I would like to know how that relates

1 to communications between officials of White House and the
2 Department of Treasury or the Resolution Trust Corporation
3 relating to Whitewater.

4 MR. BRAUNREUTHER: What I would like to do is get
5 one answer to this one last question. I don't want to go
6 through a lot about the response team. It's probably not a
7 point that either you or I need to disagree on. My
8 question is just what role Ms. Williams played on the
9 response team. I think we've had some description of other
10 roles.

11 MR. BOYD: That's fine.

12 THE WITNESS: She did not play a major role on
13 the response team. She would say things like we're getting
14 inquiries, the first lady's office is getting inquiries
15 from journalists about this particular issue or about that
16 particular issue. That's the role she played. She may
17 have voiced an opinion about a particular issue as it came
18 up, but she was not particularly vocal in these meetings
19 and has no distinct role that sticks out in my mind, other
20 than to the extent that she would have been a conduit for
21 inquiry that was coming from the press through the first
22 lady's office to our meetings.

1 Q You were asked by Mr. Kravitz about Ms. Nolan's
2 role regarding the recusal decision. And I believe you
3 testified that it was extremely limited. Can you expound
4 about that?

5 A I testified about what my knowledge of it is. I
6 don't -- he asked me some specific questions about when
7 Beth told me different things and so forth.

8 Q Do you know whether Beth Nolan ever undertook to
9 analyze the issues that would be raised in the
10 discretionary range of the recusal analysis?

11 A To my knowledge, she did not.

12 Q Do you have some knowledge -- that is your
13 testimony, that she did not, or that you don't have any
14 recollection?

15 MR. BOYD: His testimony is that to his knowledge
16 she did not.

17 BY MR. BRAUNREUTHER:

18 Q When you say "to your knowledge," what is the
19 basis of your knowledge?

20 A The basis of my knowledge is that I had a
21 discussion with Beth in the period March -- pardon me, in
22 the period February 24th to March 4th, in which I had a

1 discussion with her about this and she said that her
2 discussions with Dennis Foreman were limited to the legal
3 standards and not to the issues concerning discretion -- or
4 as I put it -- or subjective evaluations or discretion or
5 what have you, this was straight on what the legal and
6 ethical requirements were is what she told me.

7 Q And did she indicate to you whether or not she
8 was simply monitoring that process as it was being reviewed
9 by Mr. Foreman or whether she herself was coming up with
10 the recommendation in that regard?

11 A In that regard?

12 Q Meaning the mandatory legal, ethical driven
13 aspect of the decision.

14 A I don't have any recollections she indicated one
15 way or the other, whether she was monitoring it or voiced
16 an opinion or anything like that.

17 Q Do you know how she became involved in this
18 process, whether it was, for example, a contact solely by
19 Mr. Foreman or whether Mr. Foreman was asked through
20 certain channels to contact Ms. Nolan to discuss these
21 issues?

22 A Prior to March 4th, all I know is that it was a

1 phone call that she had mentioned in a meeting through from
2 Dennis Foreman who, as I said, I then identified as a
3 Treasury ethics person but not as Dennis Foreman; that's
4 all I knew then.

5 Q So it's clear on the February -- the March 4th
6 date that we've been using, it's my understanding that to
7 inquire of your knowledge which may have been developed
8 subsequent to that day would draw an objection based on
9 work product or the -- and in particular, the fact that you
10 may have garnered additional information as a result of
11 working in your capacity as White House counsel on this
12 matter?

13 A Correct.

14 Q And I will respect -- is it fair to say that that
15 is the objection that counsel has?

16 A That's my objection to it frankly. I mean you
17 have to --

18 MR. BOYD: You can see that.

19 THE WITNESS: No, no, it's the White House.

20 BY MR. BRAUNREUTHER:

21 Q I understand. I have no interest in going beyond
22 it at this point. I will honor the objection. I do

1 have -- I don't want to waive the position because I'd like
2 to just notify, you know, my superiors that that is the
3 position. If they want to discuss that further at a higher
4 level then that's up to them. But for purposes of the
5 deposition I'll abide by that objection and we don't need
6 to continue to go into it.

7 So I take it you have no knowledge as to whether
8 or not Mr. Nussbaum at the February 2nd meeting or shortly
9 thereafter may have suggested to Treasury officials that
10 they get Beth Nolan involved in the ethics analysis?

11 A Correct.

12 Q I believe Mr. Podesta was described as a point
13 man on the Whitewater team; is that true?

14 A I think it's fair to say at some point on the
15 so-called Whitewater team Podesta was the point man, yeah.

16 Q Who was it that assigned him to this
17 responsibility as the point man?

18 A I believe Ickes would have assigned him, possibly
19 McLarty, but I believe somebody in the chief of staff's
20 office. Either Ickes or McLarty.

21 Q To what extent was Mr. Ickes involved in these
22 matters, Madison, Whitewater, Mr. Altman's testimony,

1 et cetera?

2 A I mean, I know he was involved in certain
3 things. I mean, I know now, which I didn't know prior
4 to -- I knew, after Altman's testimony, I knew that Ickes
5 was at the meeting on February 2nd. I mean I knew that. I
6 knew that Harold had been at a number of Whitewater
7 response meetings, things like that, if that's what you're
8 talking about. But other than that, I don't have any, you
9 know, knowledge. I mean I don't know how to quantify what
10 those involvements are.

11 Q Did you become aware prior to March 4th that
12 Mr. Ickes played any role in the preparation of
13 Mr. Altman's testimony prior to February 24th?

14 A No.

15 Q Do you know whether prior to March -- based on
16 your knowledge prior to March 4th, do you know whether
17 Mr. Ickes had any conversations with anyone at Treasury
18 prior to February 24th?

19 A The only --

20 MR. BOYD: Regarding what?

21 MR. BRAUNREUTHER: Regarding Madison Guaranty
22 and/or Mr. Altman and his testimony.

1 THE WITNESS: The only thing I know about it, I
2 think, was that the February 2nd meeting that Mr. Ickes was
3 present there. That I did know.

4 BY MR. BRAUNREUTHER:

5 Q So aside from the February 2nd meeting you are
6 unaware of any additional contacts between Mr. Ickes and
7 Treasury officials regarding the Madison/Whitewater case?

8 A Prior to March 4th I believe that's correct, yes.

9 Q And is that true also with respect to
10 Mr. Altman's testimony that was going to be given on
11 February 24th?

12 A Correct.

13 Q I was exploring Mr. Podesta's role when I
14 departed for Mr. Ickes. Can you give me a description in
15 your own mind, in your own words, what role Mr. Podesta
16 played in the weeks leading up to the February 24th
17 hearings regarding those hearings?

18 A I really have no knowledge about that. During
19 the period, I say just to put this in context, up to the
20 time that the president requested the appointment of an
21 independent counsel, then I was part of this so-called
22 Whitewater team. Subsequent from then until after the

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1 subpoenas were served, I was not part of the team and so --
2 and during the period to the 24th, I was not at any
3 meetings or involved in any of these matters other than in
4 my role, like anybody else in the White House counsel's
5 office, to the extent issues came up, they were discussed
6 but I was not a principal on those matters.

7 Q Based on the information you gathered prior to
8 February 4th, can you shed any light on how it was that the
9 September 29th --

10 MR. BOYD: Prior to March 4th did you mean?

11 BY MR. BRAUNREUTHER:

12 Q Yes. As to how the September 29th communication
13 between Treasury officials and Mr. Nussbaum took place?

14 A Yeah. As I understand it, there was a meeting
15 September 29th -- and this is based principally,
16 essentially on my discussion with Sloan. There was a
17 meeting on September 29th, of course the Treasury was going
18 to come out with its report on Waco, on the David Koresh
19 matter. At the close of that meeting, which Cliff Sloan
20 was at and Bernie was at, Jean Hanson said to Bernie that
21 she wanted to speak to him. Bernie said to Cliff, wait
22 outside, because he, Bernie, wanted to talk to Cliff about

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1 the Waco thing and Cliff is in the outside office outside
2 Bernie's office. Jean and Bernie are talking a little
3 bit. Bernie comes out and says Cliff, come on in, I want
4 you to hear this.

5 And according to Cliff she says that the RTC is
6 going to refer a criminal matter involving Madison and that
7 the Clintons may be witnesses in some of the counts and the
8 Clinton campaign may be involved in some respect or
9 something to that effect. That's what Cliff told me during
10 that period.

11 Q To your knowledge did Ms. Hanson relate the
12 source of her information during the September 29th
13 meeting?

14 A Not to my knowledge, no.

15 Q When you first learned about the September 29th
16 meeting and in particular that it entailed criminal
17 referrals -- and I realize we're talking about you learning
18 this sometime in early March -- what was your reaction to
19 the fact that the RTC had disclosed criminal referrals to
20 the White House, criminal referrals involving the president
21 as a witness, to the White House?

22 A When I learned about it, I understood this was in

1 the context of press inquiries and other information that
2 it was concerned. In other words, basically White House
3 counsel's office will from time to time be advised of a
4 criminal referral because it may be something that either
5 raises issues of sensitivity for the president or issues of
6 press inquiry. And it was in this context that I learned
7 that there were press people, that I was told, like Sue
8 Schmidt and Jeff Gerth and others, who were doing an
9 inquiry. And so in that context I was told that this
10 information was being shared. That's what I was told.

11 Q Now, I want to focus on September 29th, not
12 October 14th. Were you told that, with respect to the
13 September 29th meeting, that there had been a press inquiry
14 prior to the time that Ms. Hanson related this information
15 to Mr. Nussbaum?

16 A I was not told. What I was told -- you asked me
17 a question about my mental impressions. I'm telling you
18 that during this process I was told, it wasn't like
19 discrete things. I was told there was a phone call, there
20 were, I mean, several phone calls. There was a meeting on
21 the 29th, there was a phone call on, like, the next day
22 maybe, and then a phone call on October 4th or October 7th

1 and so forth. And all in this discussion there's also this
2 whole issue about press inquiry.

3 So in my mind I didn't focus on and haven't,
4 other than in thinking about the sort of preparation for
5 the hearing, what the specific issue -- if you are asking
6 me about revealing or disclosing an underlying
7 investigation outside the context of the press inquiry, I
8 didn't focus, at least form a mental impression about it in
9 that sense. I didn't have a specific knowledge, but I
10 didn't form a mental impression about it in that sense. It
11 just not something I thought about.

12 Q Let me ask you, as a factual matter, whether or
13 not you have any reason to believe that there was in fact a
14 press inquiry prior to the September 29th disclosure by
15 Ms. Hanson to Mr. Nussbaum?

16 A I have no knowledge one way or the other on that
17 matter and no faith on it either way that is reason to
18 believe. I just have no knowledge of what, either whether
19 there was a press inquiry prior to the disclosure or any
20 reason to speculate one way or the other about whether
21 there was such a press inquiry.

22 Q Is there a White House policy, or was there at

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1 the time a White House policy governing the handling of
2 confidential information in the face of a press inquiry?

3 A Formal -- I don't know of any formal policy. I
4 don't know of any formal policy.

5 Q Are you aware of any exception to the
6 requirements typically governing the handling of
7 confidential information based on the fact that there has
8 been a press inquiry?

9 A Well, again it depends. I mean, for example,
10 you're going to get -- sometimes if you have an event that
11 would otherwise be confidential -- let's just take an
12 example, see if it helps.

13 You could have, let's say, a leak that's in the
14 newspaper about an event that no one intended would be in
15 the newspaper as a confidential matter but now it's in the
16 newspaper. Let's say the person involved, let's say they
17 say there's going to be a criminal investigation of Mr. X.
18 Let's say that information is leaked. Now say the White
19 House was given that information on a confidential basis or
20 the White House counsel office was for a certain reason,
21 for example, Mr. X might be someone who possibly would be
22 meeting with the president. The president would have to

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1 know that this person was under investigation.

2 So now it's leaked and now I know this
3 information, and let's say X confirms and he says yeah,
4 there is such an investigation. Then if there were an
5 inquiry come to the White House, I might well be part of a
6 White House response to that.

7 So it's hard for me, in the abstract, to kind of
8 focus in on a rule as to what's confidential. If in the
9 course of my work, which happens from time to time, I am
10 alerted to a nonpublic investigation that I need to know
11 about in order to serve my function, I would not disclose
12 that matter in the public domain under those circumstances.

13 (Discussion off the record.)

14 BY MR. BRAUNREUTHER:

15 Q Mr. Klein, do you know whether or not -- well,
16 did you develop any information prior to March 4th which
17 would shed light on whether Mr. Altman was aware of
18 Ms. Hanson's contacts with Mr. Nussbaum and Mr. Sloan
19 regarding the criminal referrals?

20 A The only knowledge I had of that was in
21 Mr. Altman's letter that he sent to this committee. I
22 believe -- I mean the letter will reflect what it reflects

1 but I believe he indicated in that letter that he didn't
2 have knowledge of the matter. That's the only information
3 I have.

4 Q So in the course of your discussions with
5 Mr. Sloan or others in the first week of March, you
6 developed no understanding yourself as to whether or not he
7 actually had those contacts?

8 A Actually I --

9 Q Sorry. As to whether or not Mr. Altman knew
10 about those contacts?

11 A I expressly -- that question obviously was on my
12 mind because his testimony was that he only knew about the
13 one contact, and as far as I could tell in that period, I
14 was able -- in terms of in the information I gathered, I
15 had no knowledge what Altman knew or didn't know.

16 Q So I take it it would surprise you to learn, if
17 it were true, that Mr. Altman had specifically asked
18 Ms. Hanson to report the criminal referrals to
19 Mr. Nussbaum?

20 A No, it wouldn't surprise me to learn, I mean I
21 don't know if it's true or not. I'd have to know the
22 circumstances and know the facts to know whether or not I'd

1 be surprised.

2 Q It would be inconsistent with what you understood
3 to be Mr. Altman's recollection of events, though?

4 A All I know about Altman's recollection, as I say,
5 were the things he put --

6 Q The letter?

7 A -- in his letter. So that's all I know.

8 Q I believe you testified that during this first
9 week of March Mr. Lindsey became involved in a process of
10 sorting out the aftermath of Mr. Altman's testimony which
11 was given on February 24th?

12 A He was at one of the meetings at least. That
13 much I recall. And he had a copy of a memo that he had
14 written regarding the October 14th meeting and he got that
15 out and brought it to the one meeting that I recall he was
16 at.

17 Q Did he indicate or did anyone indicate that they
18 were going to be reporting to the president with respect to
19 the aftermath of Mr. Altman's testimony?

20 A Not that I recall.

21 Q Do you have any knowledge as to whether or not
22 anyone reported, during that period of time, to the

1 president regarding these ongoing matters?

2 A I don't know that. I don't know if anyone
3 reported to the president about that.

4 Q Do you know whether they reported to the first
5 lady?

6 A I don't know.

7 Q To your knowledge, did anyone receive directions
8 to address the issue or to address it in a particular
9 manner during the week of February 28th through March 4th?

10 A To address what issue?

11 Q The issue of Mr. Altman's testimony, the concerns
12 about its accuracy and the reports in that regard which
13 were appearing in the newspapers.

14 A Well, I said -- what I believe I said before
15 about that, Mr. Podesta had made the phone call. That I
16 understood to have --

17 Q To Mr. Altman?

18 A To Mr. Altman.

19 Q I'm sorry. I'm asking you now whether the
20 president was --

21 MR. BOYD: The question wasn't clear, I think.

22 BY MR. BRAUNREUTHER:

1 Q I realize that there was in fact a number of
2 things going on during the week of February 28th to March
3 4th involving these matters, and my question pertains to
4 whether or not the first lady or the president were, to
5 your knowledge, notified and communicated with regarding
6 these matters in any particular manner?

7 A Not to my knowledge.

8 Q Do you know whether the first lady or the
9 president knew about or were involved in the process of
10 Mr. Altman's -- the discussions regarding Mr. Altman's
11 recusal prior to February 24th?

12 A I have no knowledge of their involvement on
13 Mr. Altman's recusal.

14 Q Earlier you identified several concerns regarding
15 the accuracy of Mr. Altman's testimony. And one of the
16 issues which was raised was Mr. Altman's response to a
17 question posed to him by Senator Bond. Do you recall that
18 testimony?

19 A I do.

20 Q Okay. And I believe that the particular question
21 posed by Senator Bond pertained to whether or not
22 Mr. Altman or his agency had disclosed the criminal

1 referrals to the White House in substance?

2 A I believe that's correct, yes. That's the
3 statement that was shown to me in the testimony, yes.

4 Q And is it fair to say that this particular
5 response by Mr. Altman was one of the issues which
6 Mr. Podesta was supposed to bring to the attention of
7 Mr. Altman for him to take whatever corrective action he
8 deemed appropriate?

9 A It was one of the issues that was discussed in
10 the couple of meetings that I was in attendance and this
11 was one of the issues that was raised. And it was my
12 understanding that John Podesta was going to raise that
13 with Mr. Altman and it was my understanding that John
14 subsequently told me he had raised that issue with Altman.

15 Q When Mr. Podesta reported or informed you that he
16 had spoken to Mr. Altman, did he indicate to you whether
17 Mr. Altman had abruptly sought to terminate the
18 conversation or not discuss particular subjects in the
19 course of the conversation?

20 A Not that I recall, no.

21 Q So you have no knowledge as to whether or not
22 Mr. Podesta communicated to Mr. Altman the specific

1 concerns that Mr. Altman supplement his answer regarding
2 the disclosure of criminal referrals?

3 A Well, I think I testified to this already, but
4 let me make sure if I understand your question correctly.
5 What I understood was that John had raised the two issues.
6 The issue about the other meetings where the September
7 29th, October 14th meeting and the fact that in one of
8 those meetings there was a mention of a referral. I
9 believe that's what John had said, he'd mentioned he had
10 told Roger about. And my understanding is that Roger then
11 wrote his letter.

12 Now maybe the only -- as I'm sitting here
13 listening to you, the only thing I'm thinking about is
14 whether John told him there were additional meetings or
15 John told him that's what the substance of the September
16 29th meeting was. And I guess my memory on that, as I'm
17 sitting here, in all candor, is not very clear. So I don't
18 know. I would, you know, whatever John said, I guess, but
19 I don't have a sharp memory on that.

20 Q Let me say to you that there's been a suggestion
21 in the course of testimony that Mr. Altman did not want to
22 discuss all these matters completely during the course of

1 his conversation with Mr. Podesta. Do you have any
2 knowledge about that fact?

3 A No, sir.

4 Q You said that you did not receive, you did not
5 review Mr. Altman's March 2nd letter prior to it being sent
6 to Senator Riegle; is that right?

7 A That's correct.

8 Q Do you know when you first saw the letter dated
9 March 2nd which was sent to Senator Riegle by Mr. Altman?

10 A I have no fixed memory, but I saw it after
11 Senator -- after it was sent to Senator Riegle. I saw it,
12 either it was in the newspaper or it was released by some
13 Senator or something like that. But it was after the thing
14 was sent I saw it.

15 Q So it would have been approximately March 2nd or
16 3rd?

17 A Yeah, it was either.

18 Q Before the subpoena was served?

19 A I'm pretty sure of that, yeah.

20 Q Now you've previously described some very
21 important people who were involved in the process between
22 February 28th and March 3rd in reviewing these issues and

1 the process which led up to a decision that Mr. Podesta
2 should contact Mr. Altman to supplement his answers;
3 correct?

4 A Yeah.

5 Q When you saw the letter dated March 2nd, tell me
6 in your own words what your reaction was as to whether or
7 not it adequately addressed the concerns that had been
8 conveyed to Mr. Altman?

9 A You mind if I look at the letter?

10 Q Sure.

11 A Well, principally what I would say was I think
12 this accurately reflects what I thought at the time, is
13 that the letter seemed incomplete to me.

14 Q Okay. With respect to the recusal issue?

15 A It was silent.

16 Q It was silent. With respect to criminal
17 referrals and the fact -- well, with respect to the
18 question that Mr. Senator Bond had earlier posed regarding
19 criminal referrals, it's also silent in that it does not
20 disclose that the RTC had notified the White House about
21 criminal referrals?

22 A I think that's correct. I mean, I just read the

1 letter. That's a correct characterization of it.

2 Q Is it fair to say that it's short of the mark
3 substantially from what was expected by the --

4 MR. BOYD: Objection. This is getting a little
5 out of --

6 MR. BRAUNREUTHER: Fair enough. We don't need my
7 further characterization.

8 BY MR. BRAUNREUTHER:

9 Q I believe you said it was silent in fairly
10 significant respects. Did you take any action when you did
11 review the letter?

12 A I didn't take any action, if that's the question,
13 no. I mean, I may have spoken to someone but I didn't, you
14 know, I don't know what you mean by take action. I
15 didn't --

16 Q Did you discuss it with others?

17 A I may have. Things were moving quickly at this
18 point, I want you to know, and this was all -- we had the
19 fire wall, the subpoena, I really --

20 Q I'm really thinking now about March 2nd or 3rd
21 when you would have first seen the letter and before the
22 subpoena was received.

1 A I have no distinct recollection of a discussion,
2 but I may have said to somebody essentially what I said to
3 you, that I thought that it was -- that the letter didn't
4 mention the recusal issue and that probably was the context
5 in which I was told that he was going to -- intended to
6 testify about it at this then-scheduled hearing or
7 something like that.

8 Q In the course of your discussions at that time
9 with others, to the extent they occurred, did anybody
10 express frustration that the problem had been compounded by
11 an inadequate disclosure in the form of the March 2nd
12 letter?

13 A I don't have a distinct recollection of that, but
14 it's possible.

15 Q I guess I'm wondering -- what I'm asking is were
16 there any discussions which were a little more explicit
17 about general dissatisfaction at this time about
18 Mr. Altman's efforts?

19 A And again I think there probably -- I may have
20 said others may have said to me -- I'm not sure exactly is
21 what I'm trying to tell you, and this is the subject that
22 you can imagine which has been discussed since March 4th as

1 well. But I would have thought it would have been more
2 prudent to have raised this recusal issue.

3 Q Do you recall whether Mr. Nussbaum had any
4 particular point of view as to the adequacy of Mr. Altman's
5 March 2nd letter?

6 A I don't.

7 Q Did anyone at any point express frustration over
8 the fact that there had been efforts prior to the hearing
9 to prepare Mr. Altman to answer a specific question with
10 respect to recusal and, notwithstanding those efforts, the
11 answer that he gave was incomplete?

12 A I don't believe anybody expressed that to me
13 prior to March 4th. I don't believe so.

14 Q You indicated earlier that there were different
15 recollections about who set up the February 2nd meeting.
16 Can you share with me whose recollections differed from
17 whose?

18 A Well, I think that it was in the context, I think
19 I was saying, where I read about that Altman had said that
20 Nussbaum, he had set the meeting up with Nussbaum, or at
21 least that was the inference in his testimony. Bernie said
22 he didn't set the meeting up with him. Bernie's

1 recollection, I think, is that the meeting was set up with
2 Ickes. Other people said the meeting may have been set up
3 with McLarty. And so those three names were in play at the
4 time.

5 Altman's testimony on that issue was not precise
6 as to whether, sort of who set up the meeting versus whom
7 he intended to see and so forth, but it didn't seem to me
8 frankly to be a critical and material fact. And there were
9 different memories with respect to it, so it wasn't pursued
10 at that time.

11 Q Okay. Setting aside whether it was critical to
12 the correction -- whether it was critical regarding
13 Mr. Altman's testimony, I'd just like to know whether, as a
14 result of that process, you developed any greater insight
15 as to how that meeting on February 2nd came about?

16 A Frankly, as I say, I shared with you the
17 information I have on it. I don't have in my mind, sitting
18 here today, a clear understanding of exactly who called
19 whom and who said what to whom. I don't have that.

20 Q Do you recall who it was that suggested that it
21 may have been Mr. Ickes who set up the meeting?

22 A What I do recall is that Bernie said that Harold

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1 had called him to come to the meeting. That I do recall.
2 So it may -- I may have made the inference, I don't know, I
3 may have made the inference that Harold set up the meeting,
4 that Altman set it up with Harold and Harold called Bernie,
5 but maybe -- or maybe somebody said it, but I don't know.

6 The point that sticks in my mind, that I've told
7 you about, that Bernie said Harold called him to come to
8 the meeting.

9 Q Did you learn whether or not the participants to
10 the meeting understood that the meeting would entail a
11 discussion of Mr. Altman's recusal prior to the meeting
12 commencing?

13 A I never learned that, no.

14 Q You don't know one way or the other?

15 A I don't know.

16 Q Did you develop any information as to whether or
17 not there had been contacts by White House officials, prior
18 to the hearings, to either Mr. Stein or to Ms. Hanson to
19 prepare Mr. Altman for his testimony?

20 A Mr. Steiner is that?

21 Q Steiner. I'm sorry. Josh Steiner.

22 A No.

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1 Q So you had no knowledge prior to February 4th
2 whether or not there were contacts?

3 MR. BOYD: Prior to March 4th.

4 BY MR. BRAUNREUTHER:

5 Q You get me each time. Prior to March 4th whether
6 or not White House officials had contacted Treasury
7 officials to prepare Mr. Altman for questioning at the
8 February 24th hearings?

9 A That's correct.

10 Q I believe the contact for Mr. Podesta to
11 Mr. Altman following meetings occurred on March 1st, is
12 that consistent with your recollection, Tuesday, March 1st?

13 A It's not inconsistent with it, I just can't pin a
14 date down for you. If everybody -- or if you've got
15 testimony to that effect from John and he's got a record or
16 something, I'm not here to challenge you about it. I just
17 don't have a distinct recollection.

18 Q At any rate, the meeting followed some rather
19 lengthy discussions with a number of individuals that
20 afternoon; correct?

21 A That's correct.

22 Q Who were the participants to the meeting that

1 culminated with the decision that Mr. Podesta should
2 contact Mr. Altman?

3 A Again, I think the people that I recall -- I
4 don't want to suggest that I recall everyone. The people
5 that I recall at either -- there were more than one meeting
6 in this process, but two or possibly even three. But
7 essentially the people I recall, in addition to myself and
8 John, were Bernie had been at some or all, some or part
9 rather. Neil Eggleston, Cliff Sloan, Bruce Lindsey had
10 been at least to one of the meetings. I think Todd Stern.
11 There may have been one or two other people who came.

12 Q You may have even mentioned them earlier in your
13 testimony.

14 A Anyway, it wasn't a small meeting.

15 Q I believe you said with respect to these meetings
16 that there were different points of view expressed as to
17 how to handle the situation; was that right?

18 A I think there were some different points of view,
19 right.

20 Q Can you tell me, to the best of your
21 recollection, what the different points of view were and if
22 possible who had those different points of view?

1 A I'm not sure I can tell you who. I think I can
2 tell you the different points of view. I think there were
3 probably -- for example, I think I was probably the one
4 person that thought we ought to mention this who set up the
5 meeting issue. I think most people didn't think that was
6 material. But I didn't think it was critical; I thought it
7 was probably something to mention.

8 I think some people felt that our responsibility
9 was to make sure the White House's stories on this were
10 accurate but that Roger and the people at Treasury ought to
11 be handling their testimony, that it would be reviewed and
12 they would make whatever determinations. That we shouldn't
13 be seen as trying to make suggestions to him about these
14 matters.

15 And I think that was -- and some people, as I
16 said, some people took the view that the word "procedural"
17 in Roger's testimony could fairly be construed to cover the
18 issue of recusal. Other people said that it was an
19 arguable or close point but that it would be sort of one of
20 these kind of issues of almost like a lawyerlike
21 interpretation to try to make that argument. It would be
22 better to sort of simply say that recusal had been brought

1 up. Those were the kinds of things.

2 Q Had Mr. Altman been contacted prior to the
3 Podesta conversation to get his input into why he had given
4 the answers that he had given?

5 A Not that I'm aware of, no.

6 Q Did anybody express a view in response to this
7 procedure encompasses recusal theory that it was just a
8 little too shrewd and that's not where you guys want to be
9 in terms of making disclosures to the Senate?

10 A I think several people said that it was, I don't
11 know about "too shrewd," but several people said that it
12 would seem to be something of an argument about words and
13 that it would be preferable to have a more complete
14 statement so that there wouldn't be any confusion about the
15 matter.

16 Q Did anybody express the view in your presence
17 that Mr. Altman perhaps had purposefully used the word
18 "procedural" in order to explicitly avoid stating recusal?

19 A I don't think so. I don't recall that.

20 Q Did anybody express the view that to disclose now
21 for the first time that the February 2nd meeting not only
22 had taken place but that it entailed recusal could have an

1 added negative impact once published?

2 A I wouldn't put it in those words, but I think
3 certainly the view was stated that when, if that
4 information came out, it would be newsworthy, would raise
5 questions, yes.

6 Q And did anybody connect the newsworthiness of the
7 recusal part of the meeting with a suggestion that perhaps
8 that was why Mr. Altman had not disclosed it when he was
9 questioned on February 24th?

10 A I don't recall people speculating about his
11 motives. At least my recollection of these meetings was
12 how are we going to deal with the situation at the White
13 House and what, if anything, we ought to communicate to
14 Altman. But there was no sort of evaluation that I'm aware
15 of and I can't say that nobody made a casual comment or,
16 you know, any meeting that goes over two hours, somebody
17 could make a joke or somebody could say something like
18 that. But there was no sense there that this is what he
19 was doing or not trying to do or this was his game plan or
20 anything like that. No discussion like that that I recall.

21 Q And you don't recall Mr. Nussbaum making any
22 particularly vivid expressions in this regard?

1 MR. BOYD: In which regard, about Altman's
2 motives?

3 BY MR. BRAUNREUTHER:

4 Q Altman's motives or how it could have occurred.

5 A I don't. If you have one --

6 Q I'm not suggesting it occurred.

7 A I don't.

8 Q I tell you it's just my -- I'm just inquiring
9 because I've heard that Mr. Nussbaum is particularly
10 colorful and that he might -- and I'm wondering at this
11 kind of a meeting, where people like Mr. Nussbaum,
12 yourself, Mr. Podesta, Mr. Eggleston, Mr. Sloan,
13 Mr. Lindsey, are all convened to sort out something which
14 could have been avoided, whether or not the participants
15 didn't express views that Altman had -- well, I think you
16 know my question.

17 A I don't recall that view being expressed by
18 Mr. Nussbaum, no.

19 Q Did you develop any information prior to March
20 4th regarding the Jean Lewis-April Breslaw contacts --

21 A No.

22 Q -- in the underlying case?

1 A No.

2 Q To your knowledge was anybody discussing that
3 within the White House?

4 A Not to my knowledge, no.

5 Q Did anyone offer a view as to whether or not the
6 case was being properly run by Ms. Kulka during that period
7 of time?

8 A No.

9 Q To your knowledge was the Jean Lewis-April
10 Breslaw discussion even raised in the White House during
11 that period?

12 A Not to my knowledge, no.

13 Q Can you give us any insight as to what the
14 president and first lady knew regarding Mr. Altman's
15 recusal and the accuracy of his testimony?

16 A As I think I said, as far as I know, prior to
17 March 4th, I had no knowledge of what the president and
18 first lady knew about either of those matters. I mean
19 obviously they all knew about --

20 Q They obviously know what they read in the papers?

21 A Right.

22 Q I'm not suggesting that your testimony means that

1 they didn't know about it. I just want to know if you have
2 any personal recollection of that matter from your
3 discussions during that period of time with anybody, not
4 limited to direct discussions with the president and first
5 lady.

6 A Well, do I have any knowledge of what the
7 president and first lady knew about -- finish the sentence
8 for me so I'm precise.

9 Q Knew about Mr. Altman's recusal at the time it
10 was pending or the accuracy of his testimony at the time it
11 was given or the aftermath of his testimony and the efforts
12 made to correct the record.

13 A No. Other than what I assume people would read
14 in the newspaper about those matters, I had no knowledge of
15 any other information that they would have had.

16 Q Same question with respect to the February 2nd
17 meeting, that being, do you know whether the president or
18 first lady had any knowledge of that meeting occurring?

19 A I have no knowledge that either one of them knew
20 that that meeting did occur or had prior to its occurring
21 or at any time prior to its disclosure in Roger Altman's
22 testimony on the 24th.

1 Q Do you recall any discussions regarding the
2 handling of the Madison case involving the referral to
3 civil case to the special counsel?

4 A I do recall some discussions about the scope of
5 jurisdiction of the independent counsel, just so we're on
6 the same recall, and special counsel -- but now he calls
7 himself independent counsel so I now call him independent
8 counsel -- but we're talking about Mr. Fiske. I do
9 remember some discussions about the scope of the
10 independent counsel's jurisdiction over civil as well as
11 criminal matters, yes.

12 Q Do you recall whether there was any consideration
13 that the civil recovery case, to the extent it might exist,
14 could be taken out of the jurisdiction of the RTC and
15 placed into the jurisdiction of the special counsel or
16 independent counsel?

17 A I think there was a discussion about as a matter
18 of law could that occur. I think that discussion did
19 occur, yes.

20 Q Was there any discussion about the desirability
21 of doing that?

22 A I think there probably was a discussion about

1 that. Yes, there was a discussion about that.

2 Q Can you relate to me what you recall about that
3 discussion?

4 A Best I recall, it's probably Nussbaum and I and
5 maybe one or two other people on our staffs. I'm not
6 exactly -- on our staff. I'm not exactly sure. And we had
7 a discussion about what the relationship between the RTC
8 and the Justice Department generally is with respect to
9 civil matters, who has sort of priority. And also a
10 discussion sort of in the sense of it would be desirable
11 from our point of view if the matter was all handled in one
12 investigation group. And I think I said that to Bernie or
13 Bernie said that to me or we said that to each other.

14 Q And was one of the considerations that if it was
15 handled by independent counsel that Ellen Kulka would not
16 be involved?

17 A Not in this discussion. I mean my view was,
18 which I think is probably the view that anybody would take,
19 is that a single investigation is just less burdensome,
20 preferable, and those were the considerations in that
21 discussion.

22 Q And was there a benefit seen in going with a

1 single investigation arising out of the fact that it would
2 be less public?

3 A I don't think so. I don't recall that.

4 Q Do you recall what Mr. Nussbaum's view was on
5 this issue?

6 A I think, yeah, I do. He agreed. He thought that
7 a single investigation would be preferable.

8 Q So was an effort undertaken to see if this could
9 be achieved; that is, taking the case away from the RTC
10 into the special counsel?

11 A I know of no such effort whatsoever.

12 Q I'm not suggesting there was. I'm just asking.

13 A And I'm telling you I know of none.

14 Q So what was the outcome of your discussions
15 about -- I mean I believe you testified that it was
16 perceived to be more desirable. Was any action taken on
17 that?

18 A No action was taken, but I should let you know we
19 have lots of discussions which don't lead to action. We
20 sort of voice opinions and we --

21 Q Is there a particular reason in this case why no
22 action was taken?

1 A Well, I think as far as I was concerned, and I
2 think, I assume Bernie agreed, but there was no purpose for
3 us to take such an action. I thought it was not an issue
4 that we should be involved with. I mean, other than
5 talking about it, him and me, in the White House or
6 something like that, but I didn't think we should do
7 anything, take any action that would affect the respective
8 scope of the RTC vis-a-vis the independent counsel. I
9 simply didn't think we should be involved in it.

10 Q Again, explain to me why you think the White
11 House shouldn't be involved in that kind of a decision.

12 A Again, I think that these are -- to the extent
13 that these are enforcement matters in various agencies and
14 so forth, I think the White House is best served by
15 allowing these agencies to go about their enforcement
16 processes. That's my view of it.

17 (Pause.)

18 BY MR. BRAUNREUTHER:

19 Q It's stated in this 302, and I'll quote from the
20 302, recognizing this is not your verbatim statement.
21 "Klein expressed the opinion that the White House could
22 not be expressed as having" -- excuse me. "Klein expressed

1 the opinion that the White House could not be viewed as
2 having had a role in the selection process of the special
3 prosecutor."

4 Well, I'm going to stay away from that. I think
5 that may go beyond the scope of this particular inquiry.

6 It's stated here that it was clear to Klein that
7 the February 2nd meeting was confidential and shouldn't be
8 discussed. Do you recall whether or not you said that and
9 if so what you might have meant by that?

10 A Yeah, I said that, I believe I did say that in my
11 interview with the --

12 Q FBI?

13 A -- independent counsel. And the reason I said
14 that was that during the discussion with Bernie, Neil
15 Eggleston walked into the meeting. I was talking to Bernie
16 and Neil walked in and Bernie said I was just telling Joel
17 about this February 2nd meeting where Roger came over, and
18 Neil said to me, he said you understand that meeting is
19 confidential and I said yes, I understand. I mean, if
20 that's what you are telling me, I understand.

21 Q What was it that was confidential about the
22 meeting at that point?

1 A I understood it that I wasn't to be talking to
2 other people about the meeting, that's what I understood
3 from what he said. Bernie concurred in his view and that
4 was what I understood to be the situation.

5 Q I'm not sure I understand why it is that people
6 would consider the fact of the meeting and the issues
7 discussed confidential at that point?

8 A I can only tell you what I was told in this
9 situation. That's what I was told, that the meeting was
10 confidential and that's what I testified to.

11 Q Did you understand that the meeting was
12 confidential because there was a generic discussion of the
13 statute of limitations or because there was a discussion
14 with White House personnel regarding Mr. Altman's recusal?

15 A See, I didn't understand one or the other. All I
16 understood was the fact that this meeting, that the
17 February 2nd meeting took place, that that was a
18 confidential matter and I should not be talking to other
19 people about that matter. That's what I understood.

20 Q Did the group of people that you should not speak
21 to include other White House personnel?

22 A That was my interpretation of what I was told,

1 yes.

2 Q It strikes me as somewhat secretive. I'm just
3 trying to get a better understanding of whether people were
4 concerned that the fact of the meeting should somehow be
5 concealed, or am I misunderstanding what you're saying?

6 A Well, I don't know what people -- see, I mean
7 what you are trying to do is elicit from me what other
8 people's motives are.

9 Q And you can't do that.

10 A I don't know. I'm telling you what I was told
11 and I think you can either ask other people or if you want
12 to draw inferences you can, but I was told it was a
13 confidential meeting. Lots of things that I'm told in the
14 course of my work are confidential. That's the nature of
15 the operation, but I understood that this was confidential.

16 Q One last try.

17 A Sure.

18 Q What was your understanding about why it was
19 confidential?

20 A I didn't have an understanding about why. I
21 wasn't told that and I --

22 Q Did you follow the recommendation that you treat

1 it as confidential and not disclose the fact of the meeting
2 to others?

3 A I believe I did, yes.

4 Q At least --

5 MR. BOYD: Well, you did for a time. The record
6 establishes that you didn't forever; right?

7 THE WITNESS: Thank you. Through the period of
8 February 24th I believe I did. After Roger's testimony,
9 then obviously I raised the issue about recusal and so
10 forth.

11 BY MR. BRAUNREUTHER:

12 Q In this process between February 24th and March
13 4th, as you learned the facts and dealt with Mr. Altman's
14 testimony, did you reflect back on why you had been asked
15 to treat it as a confidential matter earlier on?

16 A I may have. I'm just not sure about that.

17 Q Did you reach any conclusions as to whether or
18 not the confidentiality pertained to a concern about not
19 disclosing that involved a White House discussion regarding
20 Mr. Altman's recusal?

21 A I didn't reach any conclusions about those
22 matters. I mean, I just didn't. It's not like I said to

1 myself why exactly this that and the other. That just
2 didn't happen.

3 Q Were there any attempts to reach Mr. Nussbaum
4 over the weekend of February -- Friday, February 25th,
5 Saturday, February 26th and Sunday, February 27th regarding
6 Mr. Altman's testimony?

7 A I'm just not sure. I may have called him. I'm
8 just not sure.

9 Q It's stated in the 302 that you -- let me read
10 the quote from the 302. "He," referring to you, "could not
11 understand" --

12 MR. BOYD: Do you mind if I get the 302 while
13 you're reading?

14 BY MR. BRAUNREUTHER:

15 Q Help yourself. I'm looking at page 4 and for
16 your own reference, I'm going to work my way through the
17 bottom of page 5 and see if there are any areas we haven't
18 covered. But for this point I want to just refer to the
19 section where you were asked some questions, third
20 paragraph from the bottom, last sentence, which states "he
21 could not understand why Jean Hanson, general counsel at
22 the Treasury Department, didn't correct Altman at the

1 oversight hearing."

2 Is that a reference to the fact that Ms. Hanson
3 was at the hearing and Ms. Hanson had also been at the
4 September 29th meeting and the fact that she didn't, for
5 some reason, didn't correct the testimony on the spot?

6 A In essence, yes. I don't know that I used the
7 words I couldn't understand, but I was concerned that Jean
8 Hanson was at the testimony when Roger testified he was
9 asked this question and then I was advised that there were
10 additional meetings in September and October of 1993. And
11 I expressed that concern.

12 Q In essence, you made the connection that Hanson
13 was sitting right there when he was giving inaccurate
14 testimony about facts she was familiar with?

15 A I don't know if he was -- right.

16 Q Inaccurate?

17 A You're right. You're right.

18 Q Did anyone attempt to contact Ms. Hanson on this
19 point and inquire as to how it was that she allowed this to
20 occur?

21 A Not to my knowledge.

22 Q Did you develop any further information regarding

1 the October 14th meeting as to who initiated the meeting;
2 that is, how it was set up?

3 A I have the impression, but it's not a firm
4 impression, that it was initiated by the Treasury people,
5 but I -- this meeting is not a meeting I particularly
6 focused on. I mean, this is a meeting, as I think I say
7 here, seemed to me to be a discussion about at this point
8 there's a whole lot of press inquiry about these matters
9 and I didn't focus much on it.

10 Q At page 5, second to last paragraph reads that
11 "with regard to Altman's testimony before the Senate
12 Banking Committee, questions arose regarding the
13 appropriateness of Bernie Nussbaum working on Whitewater
14 issues."

15 Can you describe what that refers to?

16 A I'm not sure what it refers to in terms of the
17 testimony necessarily, but I think I can put the matter
18 this way, that a number of people on the Hill and elsewhere
19 have raised the question about the role of White House
20 counsel's office in terms of dealing with an issue like
21 Whitewater, or Whitewater in particular, and that's the
22 context that I'm referring to here, I believe.

1 (Pause.)

2 BY MR. BRAUNREUTHER:

3 Q Do you recall giving -- I believe you gave some
4 testimony earlier that it was your view that the recusal
5 issue should be handled in the letter as opposed to waiting
6 some time before reporting it to the Hill in another
7 forum. Do you recall that?

8 A I'm not sure if I said that.

9 MR. BOYD: I don't think he said it that way.

10 THE WITNESS: Well, I don't think so.

11 BY MR. BRAUNREUTHER:

12 Q Okay. Do you recall whether you made that kind
13 of a statement to anybody?

14 A I don't believe I -- I don't believe, although
15 it's possible at some point in this process -- I mean as
16 you know there's been a series of letters and so forth.
17 And it's possible in the process I would have said
18 something to the effect, you know, I would have thought it
19 would have been better just to make get this out in the
20 first letter. That's possible. Just sitting here, I don't
21 have a distinct clear recollection of it. Maybe it's that
22 it's 20 of 7:00, but I just don't know.

1 Q You expressed the view earlier or you shared with
2 us what your view was when you first learned about the
3 February 2nd meeting sometime not too long thereafter?

4 A Right.

5 Q And even at that time you questioned its
6 appropriateness; right?

7 A I questioned -- I doubted the wisdom of it
8 certainly. I think that's fair.

9 Q The record is what it is. What I want to ask you
10 is, after having the benefit of developing further
11 information during the first week of March regarding the
12 February 2nd meeting, did you have a more informed view by
13 March 4th as to whether that meeting was appropriate?

14 A No. And at no time during that thing did I do an
15 investigation of who said what to whom and what the facts
16 are. I didn't sort that out. I was certainly -- I had the
17 view by March 4th that it would have been much wiser had
18 that meeting not occurred, and a view the president of the
19 United States expressed himself, actually.

20 MR. BRAUNREUTHER: I have no further questions.

21 MR. BOYD: Wait, wait. Can I make a couple of
22 statements here. I think we've been -- I think both of you

1 have been pretty good, primarily in your examination making
 2 it clear that what Mr. Klein is testifying to on how his
 3 recollection or what he knew relates to what he knew prior
 4 to March the 4th.

5 I just want to make that statement again to make
 6 certain that the record is interpreted that way.

7 MR. BRAUNREUTHER: I certainly understood that,
 8 in his responses to my questions, those were the working
 9 parameters.

10 MR. BOYD: And then secondly, and I don't mean to
 11 suggest at all that anyone would try to suggest this, but I
 12 also want to state it clearly on the record that we have
 13 not examined this 302 report in a manner that could fairly
 14 be regarded as we, namely Mr. Klein, have not examined this
 15 302 report in a manner that could allow one to conclude
 16 that he endorses the report or the accuracy of what's in it
 17 other than specific matters that he discussed here.

18 Again, I am not suggesting anybody would intend
 19 to suggest that, but I'd just like to say that on the
 20 record.

21 MR. BRAUNREUTHER: That's fine.

22 MR. KRAVITZ: Thank you very much.

1 (Whereupon, at 6:40 p.m., the deposition was
 2 concluded.)

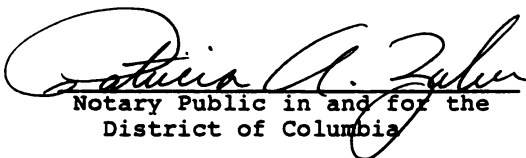
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 JOEL I. KLEIN

CERTIFICATE OF NOTARY PUBLIC & REPORTER

185

I, PATRICIA A. ZUBER, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn by me; that the testimony of said witness was taken in shorthand and thereafter reduced to typewriting by me or under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and, further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.


Notary Public in and for the
District of Columbia

My Commission Expires JANUARY 31, 1995

COMEY BOYD & LUSKIN

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September 22, 1994

Ms. Lori Bean
Senate Committee on Banking, Housing
and Urban Affairs
Room DD 534
Dirksen Senate Office Building
Washington, D.C. 20510

Re: Deposition of Joel I. Klein

Dear Ms. Bean:

In accordance with your telephone conversation today with my secretary, I am enclosing an errata sheet for the July 23, 1994 deposition of Joel Klein before the Senate Committee on Banking, Housing and Urban Affairs.

If you have any questions about our changes, please do not hesitate to call.

Sincerely,


David R. Boyd

Enclosures

cc: Joel I. Klein

ERRATA SHEET
Deposition of Joel Klein

1111

Page No.	Line No.	As Stated in Deposition	Change To
3	22	deputy counsel to the president.	Deputy Counsel to the President.
4	8	Rekoven, Stern & Hoge.	Rogovin, Stern & Hoge.
	19	deputy White House counsel?	Deputy White House Counsel?
	22	counsel to the president.	Counsel to the President.
5	5	counsel	Counsel
6	2	counsel.	Counsel.
	6	counsel?	Counsel?
	9	counsel?	Counsel?
12	8	act	Act
13	5	president	President
	7	independent counsel,	Independent Counsel,
	14	independent counsel	Independent Counsel
16	19	a Senator extract	for a Senator to extract
17	18	president	President
	21	president	President
18	3	president	President
	6	president	President
	17	chair.	Chair.
	20	deputy attorney general.	Deputy Attorney General.
19	6	counsel	Counsel

Page No.	Line No.	As Stated in Deposition	Change To
24	21	general counsel	General Counsel
32	13	deputy	Deputy
40	1	counsel	Counsel
	7	counsel.	Counsel.
	17	counsel's	Counsel's
41	13	counsel's	Counsel's
55	11	independent counsel	Independent Counsel
	22	general counsel	General Counsel
76	4	are	were
79	3	counsel's office	Counsel's Office
	7	counsel's office	Counsel's Office
82	5	general counsel	General Counsel
	12	president;	President;
93	19	chief of staff to the vice	Chief of Staff to the Vice
	20	president, as well as the assistant to the president	President, as well as the Assistant to the President
96	3	president	President
	13	president	President
	16	counsel's office	Counsel's Office
	18	president	President
97	2	president	President

Page No.	Line No.	As Stated in Deposition	Change To
	5	comptroller of the currency,	Comptroller of the Currency,
	10	president	President
	15	president	President
	16	president	President
	20	president,	President,
	21	president	President
98	4	president,	President,
	14	president,	President,
99	9	president	President
	18	president?	President?
100	4	president's	President's
102	2	comptroller of the currency	Comptroller of the Currency
	10	president?	President?
103	9	president,	President,
	20	president	President
104	6	president	President
	13	president	President
105	1	president	President
	5	president	President
	7	president	President

Page No.	Line No.	As Stated in Deposition	Change To
	10	president	President
	18	president --	President --
106	9	president	President
	15	president	President
	20	president	President
107	7	president	President
	10	president,	President,
	11	president	President
108	4	president	President
	5	counsel's office	Counsel's Office
	10	president	President
	11	counsel's office.	Counsel's Office.
	12	president	President
	18	counsel's office,	Counsel's Office,
	20	counsel's office	Counsel's Office
	21	president	President
109	15	chief counsel's office	Chief Counsel's Office
110	11	president	President
111	4	cabinet	Cabinet
	15	secretary to the cabinet?	Secretary to the Cabinet?

Page No.	Line No.	As Stated in Deposition	Change To
	16	cabinet secretary.	Cabinet Secretary.
	22	cabinet	Cabinet
121	21	counsel's office	Counsel's Office
122	1	president's	President's
	3	president?	President?
	6	president's	President's
132	7	chief	Chief
	8	staff	Staff
	13	first lady,	First lady,
	19	first lady	First lady
133	7	first lady	First lady
134	10	chief of staff could say to legal	Chief of Staff could say to Legal
	11	counsel's office,	Counsel's Office,
	12	chief	Chief
	13	staff	Staff
136	14	first lady's	First lady's
	21	first	First
	22	lady's	Lady's
139	11	counsel	Counsel
	15	counsel	Counsel

Page No.	Line No.	As Stated in Deposition	Change To
140	19	chief of staff's	Chief of Staff's
	20	office.	Office.
142	20	president	President
	21	independent counsel,	Independent Counsel,
143	4	counsel's	Counsel's
	5	office,	Office,
145	3	counsel's office	Counsel's Office
150	18	president	President
151	1	president	President
	3	president	President
	4	first	First
	5	lady?	Lady?
	20	president	President
152	4	first lady or the president	First lady or the President
	8	first lady	First Lady
	9	president	President
168	14	president and first lady	President and First Lady
	17	president	President
	18	first lady	First Lady
169	4	president and first	President and First

Page No.	Line No.	As Stated in Deposition	Change To
	5	lady.	Lady.
	7	president and first lady	President and first lady
	17	president	President
	18	first lady	First Lady
170	5	independent counsel,	Independent Counsel,
	6	special counsel --	Special Counsel --
	7	independent counsel so I now call him Independent	Independent Counsel so I now call him Independent
	8	counsel --	Counsel --
	10	independent counsel's	Independent Counsel's
173	8	independent counsel.	Independent Counsel.
174	2	special	Special
	3	prosecutor."	Prosecutor."
	13	independent counsel.	Independent Counsel.
178	21	general counsel	General Counsel
180	20	counsel's office	Counsel's Office
182	18	president	President
*****	*****		

**DEPOSITION OF BERNARD W. NUSSBAUM
IN RE: S. RES. 229**

VOLUME I

SATURDAY, JULY 23, 1994

**U.S. SENATE,
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
*Washington, DC.***

Deposition of BERNARD W. NUSSBAUM, called for examination pursuant to notice of deposition, at 8:43 a.m. in the Dirksen Senate Office Building, Room SD-538, before MARY C. SIMONS, a Notary Public within and for the District of Columbia, when were present:

APPEARANCES

J. WILLIAM CODINHA, Esq.
Majority Special Counsel

BETH O'NEILL MALONEY, Esq.
Majority Counsel

MICHAEL CHERTOFF, Esq.
Minority Special Counsel

RAYMOND NATTER, Esq.
Republican General Counsel

Committee on Banking, Housing, and Urban Affairs
U.S. Senate
On behalf of the Committee.

APPEARANCES

LAWRENCE B. PEDOWITZ, Esq.

ROBERT B. MAZUR, Esq.

VINEET BHATIA, Esq.

Wachtell, Lipton, Rosen & Katz

51 West 52nd Street

New York, New York 10019-6618

On behalf of the Deponent.

PETER L. ZIMROTH, Esq.

JAMES FITZPATRICK, Esq.

Arnold & Porter

399 Park Avenue

New York, New York 10022-4690

On behalf of the Deponent.

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EXHIBITS

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EXHIBITS	WITNESS
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Y000013 thru 15—7/2/93 Memo	62
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PROCEEDINGS

1
2 MR. CODINHA: Mr. Nussbaum, my name is Bill
3 Codinha. I am Special Counsel to the Senate Banking
4 Committee representing the Majority. With me is Beth
5 O'Neill Maloney, who is my assistant in this case. She is
6 an attorney. Sitting next to her is Michael Chertoff, who
7 is the Republican Special Counsel, and when he arrives, Ray
8 Natter, who is the Republican Counsel to the Committee.

9 The Committee is conducting an investigation
10 under Senate Resolution 229 into whether improper conduct
11 occurred regarding: (a) communications between officials of
12 the White House and the Department of the Treasury or the
13 Resolution Trust Corporation relating to the Whitewater
14 Development Corporation and the Madison Guaranty Savings and
15 Loan Association; (b) the Park Service Police investigation
16 into the death of White House Deputy Counsel Vincent Foster;
17 and (c) the way in which White House officials handled
18 documents in the office of the White House Deputy Counsel
19 Vincent Foster at the time of his death.

20 At this time I would like to mark Senate
21 Resolution 229 as Exhibit No. 1.

22

1 (Nussbaum Deposition Exhibit 1
2 was marked for identification
3 and submitted for the record.)

4 MR. CODINHA: This deposition is being taken as a
5 result of a written request from the Senate Banking
6 Committee from the Ranking Majority and Minority Members,
7 Senators Riegle and D'Amato. The deposition is in advance of
8 hearings scheduled to begin on or before July 29th. You're
9 likely to be called to testify before the Senate Banking
10 Committee at those hearings. I just tell you that so that
11 in terms of planning trips, vacations and travel you have
12 some idea. I have also told you that I do not believe
13 you'll be called on the 29th, although I can't be certain of
14 that. We will try to give you as much advance notice as we
15 can.

16 As to the conduct of this deposition, you will be
17 placed under oath and I'll be asking you a series of
18 questions to which you will be expected to give honest and
19 truthful answers. If you don't understand a question I've
20 asked you, identify the portion of the question you don't
21 understand and I'll attempt to rephrase it.

22 If your counsel objects to the form of the

1 question, I may tell him or request him to rephrase it in a
2 way that is satisfactory to him, and if that's also
3 satisfactory to me we'll proceed on that basis. I may ask
4 you just to answer the question as phrased. I would advise
5 you not to guess or speculate. I would also advise you that
6 your answers may involve follow-up questions by us, and
7 you've guessed or speculated we will attempt to determine
8 that.

9 The stenographer is going to prepare a record of
10 all the questions, answers and any objections that are made.
11 The transcript of this deposition will be dept Committee
12 confidential until the commencement of the hearings at which
13 time the Members will decide how to handle the transcript.

14 I would advise you we are getting basically daily
15 copy, but because today is Saturday, I don't anticipate that
16 it will be available until at least Monday and it may be a
17 little later than that.

18 Should you wish to review a copy of the
19 transcript, you need to make arrangements with Kelly Cordes,
20 the Committee Clerk at , and the deposition may be
21 reviewed at the offices of the Banking Committee during
22 regular business hours, that's 9 to 5 during the week, and

1 we will attempt to comply with that schedule.

2 There will be a jurat page supplied at the time.
3 If you wish to make corrections to the deposition, you can
4 make corrections. Certain counsel have been coming in, and
5 I just advise you of this, counsel have been coming in and
6 making corrections to the deposition, and we've told them
7 that we feel that's inappropriate. Counsel can't make
8 corrections to the deposition. If you require corrections
9 to the deposition, you should make them yourself, and those
10 will become an addendum to the deposition.

11 I would also tell you that if the corrections are
12 in the spelling of names in particular small, minor matters,
13 that will probably not require any further involvement by
14 the Committee. However, if you change a substantive answer,
15 for instance if you change an answer from a yes to a no,
16 that may require you to be brought in again and redeposed on
17 at least that subject, if not more.

18 Now I also told you that the Senate Resolution is
19 inquiring into three areas, the communications area, the
20 Park Service investigation and the way in which White House
21 officials handled documents after the death of Vincent
22 Foster.

1 I would also advise you that Independent Counsel
2 Fiske has asked the Senate Committee not to proceed with
3 (c), the handling of the Foster documents post-mortem. That
4 being the case, we will not be asking you questions about
5 that in this deposition. I can't recall whether I advised
6 your lawyers of that in advance, but if I didn't, I'm
7 telling you now.

8 However, because Independent Counsel Fiske has
9 not told us when he is going to complete that investigation,
10 we may have to bring you in before the hearings. If he
11 completes his investigation before the hearings, there may
12 be some likelihood we would have to bring you in on very
13 short notice. I apologize for that, but we're being driven
14 by his timetable rather than our own on that subject.

15 You have counsel here for you today. I would
16 advise you that just because of the number of counsel that
17 are present the position that we've taken when there are
18 more than one counsel present is that one counsel may make
19 objections, one counsel may speak and the rest,
20 unfortunately, must remain silent, which is probably the
21 most difficult thing for a lawyer to do, but otherwise it
22 just becomes unruly.

1 So who is it that you're going to have
2 representing you who will be making objections.

3 MR. NUSSBAUM: Mr. Pedowitz.

4 MR. CODINHA: Mr. Pedowitz. Thank you very much.
5 And just perhaps if you could identify for the
6 record, Mr. Pedowitz, who is with you.

7 MR. PEDOWITZ: They can identify themselves.

8 MR. ZIMROTH: Peter Zimroth from Arnold & Porter.

9 MR. FITZPATRICK: Jim Fitzpatrick with Arnold &
10 Porter.

11 MR. BHATIA: Vincet Bhatia from Wachtell, Lipton.

12 MR. MAZUR: Bob Mazur from Wachtell, Lipton.

13 MR. CODINHA: Should you desire to confer with
14 your counsel, you should do so at any time. I would advise
15 you that the stenographer will put on the record that you're
16 conferring with counsel. However, that should not inhibit
17 you in any way and you should just do it.

18 Should you require to confer privately with your
19 counsel, just advise us of this fact, and there is an
20 anteroom in the back where you can have private
21 conversations with your counsel should that become
22 necessary.

11

1 Because of the length that depositions sometimes
2 go, we tend to take breaks after about every hour and a
3 half, a short break for just any necessary reason. However,
4 I would tell you that depositions can be strenuous, as you
5 may know, and if at any time you become tired or you think
6 your answers are getting less accurate because of the length
7 of the deposition or the time between breaks, just tell us,
8 we'll suspend and we'll resume when you feel you're ready to
9 resume.

10 I've told you about objections as to form. The
11 scope of this deposition will be strictly limited to the
12 scope of the hearings as delineated in S. 229. Counsel may
13 make objections to the form of the question. There is a
14 special objection that serves for these depositions only
15 which you may not be familiar with and I want to tell you
16 about.

17 The only other objection which may be made at
18 this deposition is an objection that the subject matter or
19 the question is outside the scope of Senate Rule 229. In
20 the event that a scope objection is made and not resolved on
21 the record, the questions will be asked for the record and
22 held until the conclusion of the deposition at which time it

12

1 will be brought to the attention of the Chairman, Senator
2 Riegle, or his designee for a final and binding
3 determination as to whether an answer is required.

4 If a scope objection is made, please do not
5 answer the question unless you are advised the objection has
6 been resolved. That's one that we do not want you to answer
7 unless you hear you should answer it.

8 Now having said that, do you understand the terms
9 under which this deposition is going to be taken?

10 MR. NUSSBAUM: Yes.

11 MR. CODINHA: Do you have anything to add, sir?

12 MR. PEDOWITZ: A few things. One, I would like
13 to have to access to the transcript. In other words, I
14 would like to be provided a copy so that we can work with
15 Mr. Nussbaum in New York on the transcript. It is most
16 inconvenient to come to Washington, D.C. to review the
17 transcript. I would also like to have a copy of the
18 transcript in my hands when he is testifying and in advance
19 of his testimony, and I don't understand your desire to keep
20 it here in Washington, D.C. in some Senate room. I would
21 like to have a copy of it.

22 MR. CODINHA: Is there anything else you would

1 like to put on the record?

2 MR. PEDOWITZ: Well, yes. I would like an answer
3 to whether or not we can have one.

4 MR. CODINHA: Those are not the conditions under
5 which transcripts are being provided. When we receive a
6 request like that, I take them to the Majority, Senator
7 Riegle, and to Senator D'Amato for a decision on how they
8 will be handled. The structure that I told you for
9 examining the depositions is the one that has been in place
10 and to which all other attorneys are adhering.

11 As you may be aware, we have taken a lot of
12 depositions, a lot of attorneys have been working on this, a
13 number of attorneys are from out of town, from out of State,
14 and in fact a number of attorneys are from New York and are
15 working under these conditions.

16 I will take your position to the Senators, and I
17 will try to get you a resolution. I will not see the
18 Senators before Monday, but I will represent to you that I
19 will discuss it with them and will get back to you.

20 MR. PEDOWITZ: I would point out, one, that with
21 respect to the other witnesses that you're examining, I
22 expect most of them live or reside in Washington, D.C.

1 Secondly, I can't imagine that the other counsel for
2 witnesses have not also raised a similar objection.
3 Frankly, I just find it most inconvenient and remarkable
4 that we would not be provided access to a transcript of Mr.
5 Nussbaum's testimony.

6 Secondly, I would like to understand the use to
7 which this transcript will be made.

8 MR. CODINHA: This deposition is being taken as a
9 part of the investigation under Senate Resolution 229.

10 MR. PEDOWITZ: Is it to be made part of the
11 public record?

12 MR. CODINHA: That is a decision that the
13 Senators will make at the hearing. I can tell you that at
14 the present time as the rules now stand it is not
15 anticipated that this document that will be created of the
16 deposition will be released before the public testimony of
17 your client.

18 I would anticipate, and it will certainly be my
19 position to Senator Riegle, that after your client has
20 testified or at the conclusion of the hearings, whichever
21 comes first, that his entire deposition will be released.
22 That will be my position. However, that has not been

15

1 decided. I can also tell you that it has been the position
2 of the Majority and Minority and Republicans in this matter
3 that these not be released prior to the testimony of the
4 witness.

5 MR. PEDOWITZ: Is the staff to be provided, that
6 is the staff of the various Senators to be provided copies
7 of these transcripts before the hearings?

8 MR. CODINHA: The staff has access to the
9 transcripts.

10 MR. PEDOWITZ: All the staff?

11 MR. CODINHA: The staff that has cleared through
12 our security confidential requirements.

13 MR. PEDOWITZ: So that it's perfectly clear,
14 we're prepared to enter into a confidentiality arrangement
15 with you with respect to access to the transcript.

16 MR. CODINHA: I do understand that. I would tell
17 you that we have gone to some length, and Senator Riegle and
18 Senator D'Amato have exercised extraordinary rigors on the
19 staff, the professional staff who has been hired
20 specifically for these hearings and for the staff of the
21 Banking Committee to control these documents. We are
22 treating them very much like classified documents are

16

1 treated. They are held in a secure room. The depositions
2 and the documents are held in secure rooms that are guarded
3 around the clock. The only people who have access to those
4 rooms and to the documents are people who have been cleared
5 through the Committee and who have signed a confidentiality
6 agreement.

7 One of the strictures of the confidentiality
8 agreement is that they are bound. The individuals are
9 members of either the professional staff, the Banking
10 Committee or attached to this Committee, and one of the
11 sanctions which may be imposed upon those people are they
12 are bound by Senator Rule 29. Senate Rule 29 says that
13 unauthorized disclosure will result in firing. That is not
14 a sanction that we can impose on you under any
15 circumstances.

16 I would just tell you that the confidentiality
17 agreement that you sign, although I respect you and
18 obviously your reputation as an attorney and you may feel
19 bound by that, would be different than the ones that bind
20 the people who are looking at this document, the
21 professional staff and the Banking staff. I just tell you
22 that so you know it. It doesn't require a response.

1 MR. PEDOWITZ: Just so that it's also clear for
2 the record, I'm accustomed to entering confidentiality
3 agreements in litigation, and we're also accustomed to
4 abiding by them. I also suspect that the Senate has the
5 ability to impose sanctions on lawyers who enter into
6 agreements with the Senate and then don't abide by those
7 agreements.

8 So I would like to have access to the transcript.
9 I would particularly like to have one if there is any intent
10 to examine my witness during the hearings with the
11 transcript. That is, I would like to have a copy of the
12 transcript so that I know that it's being accurately read
13 into the record if it's referred to during the hearings and
14 that we know that it's properly being referred to by either
15 counsel, staff members of Senators.

16 MR. CODINHA: I will certainly discuss that with
17 the Senators. Is there anything else you would like to put
18 on the record?

19 MR. PEDOWITZ: Not at the moment.

20 MR. CODINHA: Thank you.

21 Would you administer the oath to Mr. Nussbaum,
22 please.

1 Whereupon,

2 BERNARD W. NUSSBAUM
3 was called for examination by Majority Special Counsel for
4 the United States Senate Banking Committee and, having first
5 been duly sworn by the Notary Public, was examined and
6 testified as follows:

7 EXAMINATION

8 BY MR. CODINHA:

9 Q Mr. Nussbaum, for the record, sir, would you tell
10 us what your name is.

11 A My name is Bernard W. Nussbaum, N-u-s-s-b-a-u-m.

12 Q And, Mr. Nussbaum, what is your date of birth?

13 A March 23rd, 1937.

14 Q What is your Social Security number, sir?

15 A

16 Q Where do you live?

17 A New York City.

18 Q Do you live in Manhattan?

19 A Yes.

20 Q With whom do you live there?

21 A With my wife.

22 Q Prior to coming here today, did you talk to

19

1 anyone besides your counsel about the subject matter of your
2 deposition?

3 A My wife.

4 Q Did you have substantive discussions with your
5 wife about what you were going to testify to?

6 A No.

7 Q On June 22nd, 1994 the Senate Banking Committee
8 sent you a letter requesting the production of documents.
9 It's my understanding that you did produce some documents.
10 Were you the person who made the search for those documents?

11 A I searched for those documents together with my
12 lawyers. We jointly searched for the documents and put
13 together a package of documents which we believe to be
14 responsive to the request.

15 Q Where were those documents kept, if you can
16 recall?

17 A When I moved back from Washington to New York I
18 took certain documents with me, including those documents,
19 and they were kept in my law offices in New York.

20 Q How did you decide which documents to take with
21 you moved back from Washington to New York, if you made that
22 kind of decision?

20

1 A Well there were subpoenas. At about the time
2 that I resigned as Counsel to the President the Independent
3 Counsel, Mr. Fiske, issued subpoenas to White House staff
4 members with respect to contacts between the White House and
5 Treasury. So I had occasion at that point to start
6 gathering documents which were responsive to that subpoena,
7 and of course we produced documents responsive to Mr.
8 Fiske's subpoena.

9 I kept a copy of the documents that I sent to Mr.
10 Fiske, and when I went back to New York after I left on
11 April 5th, my term of office ended on April 5th and my
12 resignation date was March 5th to take effect April 5th, I
13 took those documents back with me to New York.

14 I also worked with my lawyers in Washington at
15 that time collecting those documents to respond to the
16 subpoena, my lawyers being Mr. Pedowitz and Mr. Mazur, who
17 worked on that particular aspect with me.

18 Q Mr. Nussbaum, did you review any documents in
19 preparation for this deposition?

20 A Not many. I may have glanced at certain of the
21 documents we produced to you, but I don't recall looking at
22 any particular document.

1 Q Do you recall any specific document?

2 A No, I do not recall at this point looking at any
3 specific document.

4 Q The Committee has developed evidence during their
5 depositions that there is a document which has been referred
6 to as the Steiner diary or Joshua Steiner's diary. Did you
7 review Joshua Steiner's diary?

8 A I've never seen Joshua Steiner's diary.

9 Q Did anyone read to you excerpts from Joshua
10 Steiner's diary that you know of?

11 A I assume all these questions will exclude
12 conversations with my counsel.

13 Q With your counsel, yes.

14 A So when you say did anyone read to me, you mean
15 anyone other my counsel.

16 Q Other than your counsel.

17 A The answer is no.

18 Q The Committee has developed evidence that there
19 is a document which is known as Mr. Altman's diary or
20 scrapbook. Has anyone, other than your lawyer, shown you
21 Mr. Altman's diary or scrapbook?

22 A No.

1 Q Has anyone read you excerpts from Mr. Altman
2 diary or scrapbook?

3 A No.

4 Q In early July the Senate Banking Committee sent
5 you a letter request, and let me say I believe we sent you a
6 letter request, although a number of witnesses did not get
7 this letter, so you may have not gotten it, requesting a
8 copy of your curriculum vitae. Did you receive such a
9 request?

10 A Yes.

11 Q Did you bring along a copy of your CV?

12 A I brought a copy of a biographical sketch which
13 contains the information that would be in a curriculum
14 vitae.

15 MR. CODINHA: Would you mark that as the next
16 exhibit, please.

17 (Nussbaum Deposition Exhibit 2
18 was marked for identification
19 and submitted for the record.)

20 BY MR. CODINHA:

21 Q The only question that I ask about these
22 documents is is it accurate?

1 A Yes.

2 Q The Committee has developed evidence, Mr.
3 Nussbaum, that there are other investigations which have
4 either preceded or are proceeding concurrent with our
5 investigation. Have you been interviewed or given testimony
6 to other investigations about the subject matter of Senate
7 Resolution 229?

8 A Yes.

9 Q What other investigative bodies have you given
10 information to?

11 A Independent Counsel and the Inspector General of
12 the Treasury Department.

13 Q When did you give evidence to the Independent
14 Counsel, if you can recall?

15 A I don't recall a specific date, but sometime in
16 March, late March I think, and with respect to the Inspector
17 General early July.

18 MR. PEDOWITZ: There was also an interview with
19 the House yesterday.

20 THE WITNESS: Yes.

21 BY MR. CODINHA:

22 Q Let me ask about each of these investigations.

1 The Office of Independent Counsel, did you testify before
2 the grand jury?

3 A Yes.

4 Q And prior to testifying before the grand jury
5 were you interviewed?

6 A No.

7 MR. PEDOWITZ: Not on this subject.

8 THE WITNESS: Not on this subject.

9 MR. CODINHA: And when I say were you
10 interviewed, I've already told you it's relating to Senate
11 Resolution 229, but thank you for limiting that.

12 BY MR. CODINHA:

13 Q After you testified at the grand jury, were you
14 interviewed by the Office of Independent Counsel or any of
15 their staff with respect to anything to do with Senate
16 Resolution 229?

17 A Well Senate Resolution 229 contains the Foster
18 matters and, yes, I've been interviewed by Independent
19 Counsel with respect to the Foster matters.

20 Q Have you been interviewed, outside of the grand
21 jury, with respect to contacts between White House and
22 Treasury by the Office of Independent Counsel?

1 A No.
2 Q You said you testified before the Inspector
3 General of the Treasury Office in early July?
4 A Correct?
5 Q Was a transcript of that proceeding made?
6 A Yes.
7 Q Have you received a copy of the transcript?
8 A Yes.
9 Q And have you reviewed a copy of that prior to
10 this deposition?
11 A No.
12 Q You didn't read it?
13 A I'm sorry, I did read it. Yes, I read it once.
14 I did read it.
15 MR. CODINHA: Do you have an objection to us
16 receiving a copy of that, sir?
17 MR. PEDOWITZ: I'll take it under advisement.
18 MR. CODINHA: We would ask you to receive a copy
19 of that.
20 MR. PEDOWITZ: I also once again repeat my
21 request for Mr. Nussbaum's transcript.
22

1 BY MR. CODINHA:
2 Q You've also told us that you were interviewed by
3 the Committee from the House of Representatives, and did you
4 say that happened yesterday?
5 A Yes.
6 Q Was a transcript kept of that proceeding?
7 A No.
8 Q Was there a stenographer there?
9 A No.
10 Q Were notes taken by anyone, if you saw?
11 A Yes.
12 Q Have you reviewed those notes in preparation for
13 this testimony?
14 A No.
15 Q Have you been interviewed by any other group,
16 besides your lawyers obviously, with respect to the subject
17 matter of Senate Resolution 229, the contacts between the
18 White House and Treasury?
19 A Yes.
20 Q Were you interviewed by the White House?
21 A Yes.
22 Q When did that occur?

1 A Early July.

2 Q Who did that interview, if you recall?

3 A Lloyd Cutler, and Jane Sherbourne and Shiela
4 Cheston, two lawyer assisting Mr. Cutler.

5 Q Was a transcript made of that interview?

6 A No. There was no stenographer present.

7 Q Was anyone taking notes?

8 A Yes.

9 Q Have you reviewed those notes before this
10 deposition?

11 A No.

12 Q Were those notes submitted to you to determine
13 whether they were accurate or not?

14 A No.

15 MR. PEDOWITZ: Just to clarify the record with
16 respect to one answer, and that has to do with the Inspector
17 General's examination of Mr. Nussbaum, he testified I think
18 that it was early July. It was certainly earlier in July,
19 but I think that probably took place about a week ago.

20 THE WITNESS: No, it took place more than a week
21 ago.

22 MR. MAZUR: The 8th or 9th.

1 THE WITNESS: 8th or 9th, that's early July.

2 MR. PEDOWITZ: That's my effort at being helpful.

3 (Laughter.)

4 BY MR. CODINHA:

5 Q Did you give information about the subject of
6 Senate Resolution 229 to any other group than the four
7 groups that you've mentioned so far that you can recall
8 today?

9 A I have no recollection of giving it to anybody
10 else.

11 Q What was the first position that you held in the
12 Clinton Administration, and when I say the Clinton
13 Administration I'm referring to January 20th, 1992.

14 A Not anything prior to January 20th. The first
15 and only position I held in the Clinton Administration was
16 Counsel to the President.

17 Q If you know, how did you come to hold that
18 position?

19 A I was acquainted with the Clinton's since 1974
20 when Mrs. Clinton and I were counsel. I was Senior
21 Associate Special Counsel and she was an Assistant Counsel I
22 guess to the House Judiciary Committee's Impeachment Inquiry

1 Staff. We became acquainted with each other at that time,
 2 and we worked in Washington together for approximately nine
 3 months, January 1974 to August or September 1974. She
 4 wasn't married to Bill Clinton at that time, but I believe I
 5 met Mr. Clinton at that time just very briefly.

6 I stayed in touch with Mrs. Clinton over the
 7 years. We knew what each other was doing professionally,
 8 she being a partner in the Rose law firm and I being a
 9 partner in the New York firm of Wachtell, Lipton, and we
 10 became somewhat friendly, but we didn't see each other that
 11 much. We would see each other once every couple of years.

12 She married obviously Bill Clinton. I was aware
 13 of his political career, and I may have contributed to one
 14 or two of his campaigns in Arkansas. We had I believe some
 15 professional matters together in the civil area, the
 16 takeover area, but not extensive. I don't remember any
 17 specific matter.

18 That's how we knew of each other and stayed in
 19 touch with each other, and when he decided to run for
 20 President, Bill Clinton, I became a very active supporter
 21 both in terms of giving advice during the campaign, although
 22 I did it not on a regular basis, I didn't join the campaign

1 full time, but whenever asked by various people for
 2 judgments on certain issues as well as I participated in
 3 some fundraising activities in New York and other political
 4 activities in New York.

5 When then Governor Clinton came to New York I
 6 went around with him to certain places in New York and
 7 attended certain fundraising functions in New York, but
 8 certain other functions, speeches at the Jewish Museum and
 9 other places. I was involved in the campaign, but in a
 10 tangential sense. I was still an active, full-time
 11 practicing lawyer, and I never left my firm to join the
 12 campaign.

13 And when he won the election I was asked to be,
 14 and that's why I hesitated when you asked me what my first
 15 position in the Clinton Administration was, it wasn't really
 16 a position in the Clinton Administration, he asked me to be
 17 the co-head of the Justice Department Transition Team, to
 18 plan the transition for the Justice Department, which I did,
 19 which I agreed to do along with somebody else named Peter
 20 Edelman, and I did that starting December 1, 1992.

21 Edelman and I headed the Justice Department
 22 transition, and we had about 125 lawyers working for us. We

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1 prepared an analysis of the various divisions and bureaus
2 and agencies of the Justice Department and made
3 recommendations with respect to certain appointments, not
4 the Attorney General's appointment at that time, but other
5 appointments in the Justice Department.

6 So I participated on a very intense and active
7 basis in the Clinton transition, much more than in the
8 Clinton campaign. My involvement in the campaign was
9 desolatory. My involvement in the transition was very
10 intense and very active from December 1 until almost January
11 20th.

12 Early in January I received a call. They were
13 familiar with my work in the transition, and early in
14 January I received a call asking me to come to Little Rock
15 to meet with the President-Elect, which I did, and following
16 that meeting, a day later he asked me to be Counsel to the
17 President.

18 Q Did you consider yourself to be a friend of Mrs.
19 Clinton prior to taking on the position with the
20 Administration, and by the position with the Administration
21 I'm referring to your position as Counsel to the President?

22 A Not a close friend, but a friend, because I

32

1 didn't see Mrs. Clinton that much in the 20 years or the 18
2 years, but, yes, I would consider her a friend.

3 Q Did you have a mentor/mentee relationship with
4 Mrs. Clinton during the time that you worked with her?

5 A No. That has been reported in various articles,
6 but there was no mentor/mentee relationship. I was a senior
7 staff member and she was a junior staff member having just
8 graduated law school. We worked together on certain
9 projects, and I worked together with other people, but I was
10 not her mentor and she was not my mentee. She was a very
11 able, bright, effective, aggressive lawyer, and I was
12 whatever I was.

13 Q During the period from when you first knew Mrs.
14 Clinton in the 70's until the time you took on the position
15 of Counsel to the President did she contact you over those
16 years to request your advice on career moves?

17 A No.

18 Q Did she contact you over those years to request
19 your advice or counsel on personal moves?

20 A No, not on personal moves. I recall one
21 conversation in 1988 in which she arrived in New York and I
22 met with her with respect to political, you know, that Bill

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1 Clinton was thinking of running for President in 1988, or at
2 least he was reviewing it at that time, and we had a
3 conversation about whether that made it any sense or not at
4 that time, but other than that, there were no conversations
5 with respect to personal moves or career moves.

6 Q Prior to you taking the position as Counsel to
7 the President did you consider yourself closer as a friend
8 to Mrs. Clinton than to the President?

9 A Yes.

10 Q As Counsel to the President would you describe to
11 me what your duties and responsibilities were.

12 A I was the head of an office in the White House
13 with about a dozen lawyers. The responsibilities were to
14 deal with the manifold and legal issues or semi-legal issues
15 that arise in connection with operating and running the
16 White House and to provide the best judgment I could with
17 respect to those legal issues and give the best legal advice
18 I could, and to have my staff assist me in performing that
19 function.

20 Q To whom did you report as you were Counsel to the
21 President?

22 A I reported both to the President and to the Chief

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1 of Staff. There was no rigid hierarchial structure in the
2 White House. I reported to the Chief of Staff from time to
3 time, and at other times if I felt it appropriate I reported
4 to the President. If I wished to take advantage of it, I
5 had direct access to the President. I mean I didn't take
6 advantage of it that often, I did from time to time, but if
7 I wished to speak to the President without going through the
8 Chief of Staff that would have been entirely and was
9 entirely proper, and I did on occasion do that.

10 Q Did you have any reporting responsibilities to
11 the First Lady of the United States?

12 A No.

13 Q Did you on occasion report directly to the First
14 Lady?

15 A I spoke to the First Lady on a number of
16 occasions, yes.

17 Q When you needed to see the President did you have
18 to schedule a meeting with the President in order to see
19 him?

20 A No. Well sometimes I did, but sometimes I
21 didn't. I would sometimes just, you know, walk down to the
22 Oval Office and see if anybody was there, and if nobody was

1 there I would walk in. I mean I could do that if I wanted
2 to. I didn't do it every day, but I did it if I felt I
3 wanted to do it.

4 Q You indicated you also reported to the Chief of
5 Staff. During that period from January 20th until the time
6 you resigned your office as Counsel to the President was
7 that Mac McLarty?

8 A Yes.

9 Q What kind of relationship did you have with Mr.
10 McLarty during this time period?

11 A A good, friendly relationship. I liked to Mr.
12 McLarty and I think he liked me, and he looked to me also
13 for legal advice and input with respect to various issues
14 that arose. I was also involved in personnel decisions.
15 For example, I mean what did I do for the first six months,
16 obviously I had a staff, which gave all this legal advice I
17 mentioned, but I was involved in the search for an Attorney
18 General, I was involved in the search for an FBI Director
19 and the resolution of a very difficult problem with the head
20 of the FBI, I was involved in a search for a Supreme Court
21 Justice, which I had primary responsibility for, as well as
22 other judicial appointments. I mean I had a lot of duties

1 in the White House along those lines, but they were again
2 related to legal, semi-legal, law enforcement, that kind of
3 thing.

4 Q With respect to your duties and responsibilities
5 at the White House did you have any particularized ethical
6 responsibilities at the White House?

7 A Yes, I was the Chief Ethics Officer in the White
8 House. We had an Associate Counsel, Beth Nolan, who I
9 induced to come from George Washington Law School, a
10 professor of ethics at George Washington, who assisted me in
11 the performance of my function as the Designated Agency
12 Ethics Officer in the White House, the DAEO, and we gave a
13 tremendous amount of ethics advice internally in the White
14 House to people working on the White House staff and to the
15 Executive Office of the Presidency. We were involved in
16 vetting numerous appointees. All appointees came through
17 the Counsel's Office, and we looked at financial issues and
18 ethics issues continually with respect to those kind of
19 appointees.

20 Q Were you the Designated Agency Ethics Officer,
21 DAEO, or was Beth Nolan?

22 A I was. She assisted me in that, and really she

1 performed a lot of the functions advising me. I relied a
2 great deal on her.

3 Q Did you bring her from her academic position
4 because of her particularized expertise in ethics?

5 A Yes.

6 Q Did you do that because you believed that it was
7 important to the White House to have an expert in ethics in
8 the White House?

9 A Yes.

10 Q Do you recall when you brought Ms. Nolan into the
11 White House?

12 A February or March of 1993.

13 Q Prior to February or March of 1993 did you
14 attempt to focus on ethics issues in the White House?

15 A To some extent. I mean we were looking to people
16 on the outside who had previously worked in the White House
17 for advice with respect to those things. Quickly one of
18 Vince Foster's and I major projects was to get somebody in
19 to help us with respect to these ethics questions, and we
20 got Beth Nolan in relatively quickly.

21 Q As Counsel to the President who was your client?
22 Who did you consider your client to be?

1 A My client was the President in his capacity as
2 President, and the White House staff to that extent, too, in
3 their official capacities.

4 Q As the President of the United States was your
5 client in his official capacity as President of the United
6 States, did you consider that in the year 1993 that your
7 role with the President was representing the President in
8 his official capacity?

9 A Correct.

10 Q Did you understand that the President had private
11 attorneys that represented him in private matters?

12 A Yes. During the course of the year certain
13 things sort of overlapped. For example, in assisting the
14 President in doing his tax returns and in filing financial
15 disclosure statements, which was being handled primarily by
16 Vince Foster in the first part of 1993, I was aware that
17 Vince Foster was working with both private accountants and
18 private attorneys to effectuate those particular filings.
19 That's correct, I was aware that there were also private
20 attorneys and private accountants.

21 Q And did you become aware at some point of an
22 individual by the name of David Kendall?

1 A Oh, yes, but that was later on.

2 Q When did you first hear about David Kendall as he
3 was an attorney to the President?

4 A Sometime in the fall of 1993. I don't recall
5 precisely the month.

6 Q Now you mentioned Vincent Foster and you
7 described that he worked on some of the President's personal
8 matters. What role did he play at the White House?

9 A Well he worked on the President's personal
10 matters because they had an official component, namely,
11 there were certain acts required of the President in his
12 official capacity. Filing financial disclosure forms is a
13 good example, or a blind trust is another good example of
14 that.

15 I'm sorry, what was your question about Foster?

16 Q What was his official capacity at the White
17 House?

18 A He was the Deputy Counsel to the President, and
19 the way we ran our operation, if I can use that term, was
20 like a law firm, and he was in a law firm of 10 or 12 or 14
21 lawyers, depending on how many. We met every morning at 9
22 o'clock and would sit around a table and discuss the matters

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1 that the firm was handling, and Foster, to give him a
2 description, was the co-senior partner of the law firm, me
3 being the other senior partner or the senior partner.
4 Foster and I grew to have a very close relationship as time
5 went on.

6 Q To follow your law firm analogy, were you the
7 managing partner of the law firm?

8 A Yes, I was the senior partner or the managing
9 partner.

10 Q Who else reported directly to you as you were
11 Counsel to the President?

12 A All the lawyers in the Counsel's Office reported
13 to me.

14 Q Was Mr. Kennedy, William Kennedy in the office at
15 that time?

16 A Yes. He came in sometime in February I think in
17 1993.

18 Q And what was his role?

19 A He was an Associate Counsel to the President, but
20 he was basically in charge of the personnel vetting process
21 I'll call it, a word that we use a lot in Washington,
22 "vetting," a word I didn't use before I got to Washington,

1 and he was in charge of that process. The new
2 Administration had to make numerous appointments. Of course
3 the FBI did investigations, but we had to vet them ourselves
4 to make sure there were no legal, ethical, financial,
5 personal or other impediments to them assuming the positions
6 for which they were being considered.

7 Q Did Neil Eggleston report to you?

8 A Yes.

9 Q What was his role?

10 A He came on in September, but later after Foster's
11 death, in 1993, and he worked on various investigative type
12 of matters which arose, for example, the Travel Office
13 investigation.

14 Q I would advise you I have no interest in
15 inquiring about that.

16 A I understanding, but I'm just giving an example
17 of the kind of things he worked on. There were, you know,
18 investigations into the White House conduct with respect to
19 the Travel Office, and we had to respond to investigative
20 inquiries. That's the kind of matter that Eggleston would
21 work on. Eggleston, as you know probably, was a former
22 Assistant United States Attorney for the Southern District

1 of New York and a former defense attorney in private
2 practice with the law firm of Howrey & Simon and so had
3 familiarity with those types of matters.

4 Q Did Joel Klein report to you?

5 A Yes.

6 Q What position did he hold?

7 A He replaced Foster as Deputy Counsel sometime in
8 December of 1993 I believe.

9 Q Did Clifford Sloan report to you?

10 A Yes.

11 Q What position did he hold?

12 A He was an Associate Counsel. He did a lot of
13 legal issues. He was in the Solicitor General's Office and
14 he had clerked for the Supreme Court. He was used for a lot
15 of legal and constitutional analysis, and when we had to
16 give legislative input with respect to legal issues he did
17 that. He also to some extent overlapped. He was there
18 before Eggleston. So until Eggleston arrived he did some of
19 the work in connection with the investigative matters, such
20 as the Travel Office matter I believe to some extent.

21 MR. PEDOWITZ: Excuse me one second.

22 (Witness and his counsel confer.)

1 BY MR. CODINHA:

2 Q Mr. Nussbaum, during the early to mid portion of
3 1993 did your office prepare a series of memoranda dealing
4 with ethics issues and prohibited contacts with agencies?

5 A Yes.

6 Q At whose request were those documents prepared?

7 A They were prepared at my request.

8 MR. CODINHA: I would like to show you a series
9 of memoranda which are marked under our system as N000033
10 through 39 first, and that is a document which is dated
11 February 22nd, 1993 and it's on White House stationery.

12 (Previously marked Exhibit
13 N000033 thru 39 was shown
14 to the witness.)

15 BY MR. CODINHA:

16 Q Have you see that document before?

17 A Yes.

18 Q When did you first see it?

19 A At about the time it was prepared.

20 Q What was the purpose of its preparation?

21 A The purpose of its preparation was to set forth
22 certain rules and principles regarding contacts with

1 agencies.

2 Q When you use the term "agencies," what do you
3 mean by agencies?

4 A What I mean by agencies is the type of entities
5 listed in this memorandum.

6 Q Was it prepared at your request?

7 A It was.

8 Q Had a similar document been in existence at the
9 White House before you requested this document to be
10 prepared?

11 A Yes.

12 Q What was your purpose in asking that this
13 document be prepared if a similar one existed?

14 A Well the similar one had existed under prior
15 Administrations and it was from different counsel to the
16 President and to different White House staff, and we
17 believed that it should be reissued, not word for word, but
18 those things we agreed with, which were many, should be
19 reissued to the new White House staff which came in in
20 January of 1993.

21 Q I notice that a name that appears on it is
22 Stephen R. Neuwirth, and he is listed as Associate Counsel

1 to the President. Did Mr. Neuwirth prepare this document,
2 if you know?

3 A Yes.

4 Q Did he do it himself?

5 A Yes.

6 Q Did you review it with him after it was prepared?

7 A Yes.

8 Q Did you discuss it with him after it was
9 prepared?

10 A Yes.

11 Q In the section of the document, and I'm now
12 looking at the first page of the document, it deals with
13 regulatory agencies. Did you review that section with Mr.
14 Neuwirth?

15 A Yes.

16 Q The portion that's underlined at the bottom of
17 the first page says: Therefore, as a general rule no member
18 of the staff should contact (a) any agency in regard to any
19 adjudicative matter pending before that agency or (b) any
20 independent agency in regard to any rulemaking pending
21 before that agency.

22 Did you have that underlined because you believed

1 that was important?

2 A Yes.

3 Q The portion on the next page, which is listed as
4 page 2, second paragraph, where it says in the last
5 sentence: White House staff members should avoid even the
6 mere appearance - and underlined is appearance - of interest
7 or influence.

8 Did you have the section of "appearance"
9 underlined?

10 A Yes.

11 Q Did you do that because you believed that was
12 important?

13 A Yes.

14 Q Now at the bottom of page 2 there is a list of
15 agencies where it says, the following agencies, while not an
16 exhaustive listing, and then goes on and it lists a number
17 of agencies. I noticed that in that list I do not see the
18 Resolution Trust Corporation listed.

19 Did you know that the Resolution Trust
20 Corporation was an agency of the United States Government?

21 A Yes, I knew it was an agency of the United States
22 Government.

1 Q Was there a reason why the Resolution Trust
2 Corporation was not listed on this document?

3 A There is a separate portion of this document
4 which talks about communications, for example, in the
5 Department of the Treasury and lists certain component
6 agencies of the Department of the Treasury, such as the
7 Office of the Comptroller of the Currency, the Internal
8 Revenue Service and other things like that.

9 At this point in time I don't recall who was
10 heading the RTC, and I don't remember at this time why it
11 was or wasn't included in this list. I don't have any
12 memory of that. Also, this list is not intended to be
13 exhaustive. You know, this is a month after we took office
14 and we're listing various agencies, but there was no -- let
15 me make clear this, there was no discussion, and this I
16 would remember, at this time in February of 1993 not to
17 include the RTC on this list.

18 Q So it would be your testimony that the RTC was
19 not being excluded from the list?

20 A Correct. There was no deliberate decision to
21 exclude the RTC from this list.

22 Q I would point out on page 2 if you go down to the

1 fourth listing at the bottom of the page, the Federal
2 Deposit Insurance Corporation is listed here.

3 A Correct.

4 Q And in the same sense that the RTC may be viewed
5 through the Treasury, is it also accurate that the FDIC
6 maybe looked at as coming out of the Treasury?

7 A Well looking at this again: The following
8 agencies, while not an exhaustive listing, are regarding by
9 the Justice Department as independent and should not be
10 contacted by the White House staff without prior clearance
11 from the Counsel's Office.

12 There is a question in my mind, although I didn't
13 focus on the RTC at that point, but certainly now today as
14 to whether the RTC, and I don't think this makes a hell of a
15 lot of difference maybe, but whether the RTC is a
16 "independent agency" or not. The RTC, as I understand it,
17 is headed by a Presidential Appointee subject to
18 confirmation by the Senate, but serving at the will of the
19 President, such as a Cabinet Member who is appointed by the
20 President subject to confirmation by the Senate, but serving
21 at the will of the President.

22 So I don't know if the RTC if regarded by the

1 Justice Department as an independent agency. I would doubt
2 it's regarded by the Justice Department as an independent
3 agency, but I don't know, and that's one of the reasons it
4 may not be listed on this list.

5 Q In 1993 what knowledge did you have about the RTC
6 as it was or was not an independent agency?

7 A I don't recall thinking about it at that time.

8 Q Had you had any dealings in your prior
9 professional career with the RTC such that you knew whether
10 it was an independent agency or not?

11 A I had dealings with the Office of Thrift
12 Supervision, and actually we had some dealings with the RTC,
13 too, at that time in a major case I handled, the Kay,
14 Scholer case. We had some dealings with the RTC, but we had
15 more extensive dealings with the OTS, the Office of Thrift
16 Supervision, but I didn't focus as to whether or not it was
17 an independent agency. It was an agency of the Government
18 of the United States obviously, and I dealt with it as such
19 in my private capacity when I was in the private world.

20 Q Did you understand from your prior professional
21 career that the RTC was an independent agency and did not
22 report to the Treasury?

1 A I don't recall if I had any understanding at that
2 time.

3 Q Did you know that in 1993, that the RTC was an
4 independent agency and did report to the Treasury?

5 MR. PEDOWITZ: In 1993, the whole year?

6 MR. CODINHA: Yes.

7 THE WITNESS: No, I didn't have an understanding,
8 and I still don't have an understanding that it's an
9 independent agency, as that term has been various defined.
10 As I say, I don't think that makes a lot of difference, but
11 nonetheless if you focus on that issue, it's still not my
12 understanding that it's an independent agency. It's an
13 agency, as I said, headed by a chief executive officer
14 appointed by the President subject to Senate confirmation
15 serving at the pleasure of the President. It has an
16 oversight board consisting of the Secretary of Treasury as
17 well as other people, sort of a semi-autonomous governmental
18 corporation of some sort. That's my understanding, and that
19 was my understanding in 1993.

20 BY MR. CODINHA:

21 Q On page 5 of the exhibit you have in front of
22 you, the bottom bullet deals with See Communications With

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1 the Department of the Treasury, and going to page 6, the
2 first bullet reads: Any written or oral communication to
3 the White House concerning pending investigations or cases
4 must - underlined - be directed to the Counsel to the
5 President. If appropriate and necessary, the inquiry will
6 then be transmitted to the Office of the Deputy Secretary of
7 the Treasury.

8 Have I read that correctly?

9 A Yes, you have.

10 Q With respect to that paragraph, did you have any
11 discussions with Mr. Neuwirth about that paragraph?

12 A I don't recall. I may have, but I just don't
13 recall now whether I did. A lot of this was contained in
14 prior -- I don't know if this was -- but a lot of this was
15 contained in prior memoranda in previous Administrations.

16 Q At or about the time this document was created,
17 and it's dated February 22nd, 1993, did you know who was the
18 Deputy Secretary of the Treasury?

19 A Yes.

20 Q Who did you know that to be?

21 A Roger Altman.

22 Q Had you known Roger Altman before February 22nd

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1 of 1993?

2 A Yes.

3 Q How had you known him?

4 A I knew him from the private world in New York.
5 He was in the investment banking business and my law firm
6 practices in part in the financial and securities areas and
7 investment banking area. So I would run across Mr. Altman
8 in New York, but we were not close, personal friends. I
9 also had run across him in connection with political
10 activities, such as the Clinton campaign, particular
11 fundraising activities. So I knew him, but I didn't know
12 him well, and he was not a personal friend.

13 Q Did you know whether Mr. Altman was a personal
14 friend of the Clinton's?

15 A I didn't believe Mr. Altman to be a personal
16 friend of the Clinton's. I know Mr. Altman went to college
17 with Mr. Clinton, but I don't believe they had a
18 relationship particularly in the 20 or 25 years subsequent
19 to that.

20 MR. CODINHA: I would like to show you a document
21 marked N000040.

22 MR. PEDOWITZ: Can we mark these as exhibits to

1 the transcript, please, particularly since I think I would
2 like to have these documents fully contained in the back of
3 the transcript.

4 MR. CODINHA: Let me tell you what we've been
5 doing until now, and that is we have not been marking
6 documents separately because of the rules and strictures
7 that we have in document control. It would make it
8 impossible to take the depositions that we need to take
9 because we only have two sets of documents to work with and
10 we're very often working three depositions at a time.

11 It has nothing to do with anything, but the fact
12 that our security procedures are such that there just aren't
13 enough documents to do that. So we have to mark them this
14 way. I will tell you that when they have been referenced,
15 as we're referencing them, they will become exhibits to the
16 deposition once the depositions are released or used at the
17 hearings.

18 MR. PEDOWITZ: I have no problem with that, and I
19 don't want to inconvenience you, but at the same time I
20 think it would be useful if we marked them as exhibit
21 numbers so that we're sure we've got a full and complete
22 record so that they can be attached to the back of the

1 transcript when you release it.

2 MR. CODINHA: Let me go off the record a moment.
3 (Discussion off the record.)

4 MR. CODINHA: Let's go back on the record.

5 MR. CHERTOFF: If you want to go on the record
6 with your request, let's do it once. I mean you've made it
7 several times in the deposition and let's move on.

8 MR. PEDOWITZ: Well this is a very different
9 request. I don't think I've made this request before.

10 I would like to put on the record a request that
11 we be provided access to these documents that are being
12 referred to in this deposition both at the time we review
13 the transcript for accuracy and, in addition most
14 importantly, that the documents that are referred to today,
15 whether or not they are referred to as an exhibit, that
16 these documents all be attached to the back of the
17 transcript so that anybody that reads this transcript has
18 complete knowledge of what these documents are.

19 Mr. Codinha has referred to certain passages of a
20 document that he has just gone through and he has accurately
21 read them into the transcript, but they are lengthy
22 documents and he has not read all the portions of the

1 documents, and I think anybody that has an interest in
2 reading this transcript would also have a great deal of
3 interest in seeing the complete documents that are attached
4 to the transcript, or that I believe should be attached to
5 the transcript. That's all.

6 MR. CODINHA: Do you want to respond to that?

7 MR. CHERTOFF: Simply to say that that
8 suggestion, we don't have any authority here to make a
9 decision about that, but we will bring it to the attention
10 of the Senators.

11 MR. PEDOWITZ: Thank you.

12 MR. CODINHA: To this point the document I've
13 been referring to is Exhibit N000033 through Exhibit
14 N000039.

15 BY MR. CODINHA:

16 Q With respect to the bullet on page 6 that we've
17 read into the record, and there is a number at the bottom of
18 the page, and I just don't have it in front of me ---

19 A N000038.

20 Q --- the bullet No. 1, do you know was that
21 practice followed while you were Counsel to the President?

22 MR. PEDOWITZ: I would like to confer with the

1 witness just for a moment.

2 (Witness and his counsel confer.)

3 MR. PEDOWITZ: This is off the record.

4 (Discussion off the record.)

5 (Witness and his counsel confer away from the
6 table.)

7 (The pending question was read by the reporter.)

8 THE WITNESS: This was intended to refer to
9 communications from outside the White House to the White
10 House from Congressmen or private persons and people like
11 that concerning pending investigations, and then it requires
12 if there are any such communications to the White House, any
13 written or oral communications to the White House, they must
14 be directed to the Counsel to the President.

15 I believe that the rule contained in this bullet
16 was followed. I have no knowledge that it was not followed.
17 That's the answer to that specific question.

18 (Previously marked Exhibit
19 N000040 thru 42 was shown
20 to the witness.)

21 BY MR. CODINHA:

22 Q I would like to show you the next exhibit,

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1 N000040 through 42, N42. It's a memorandum dated March 9th,
2 1993. Do you recognize that memorandum?

3 A Yes.

4 Q Did you see that memorandum at or about the time
5 it was prepared?

6 A Yes. My initials are on all these memoranda, or
7 on at least these two memoranda.

8 Q Was it prepared at your request?

9 A It was.

10 Q And did you review it at the time it was
11 prepared?

12 A I did.

13 Q Was this a follow-up memorandum to the first
14 exhibit that we've been discussing, N33 through 39?

15 A Yes.

16 Q What was the reason that a follow-up memorandum
17 needed to be written?

18 A Well it says it right in the memorandum. It
19 says: This memorandum is intended to clarify certain issues
20 discussed in our February 22nd memorandum, but not to
21 replace our February 22nd memorandum.

22 The 22nd memorandum is a longer memorandum. Here

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1 we sort of try to be precise and concise with respect to
2 this subject of contacts with agencies. You have to
3 remember the Administration was new and people were new, a
4 lot of people are not lawyers, and we're trying to just make
5 it clearer in some fashion the various general rules which
6 we then lay out about not contacting certain types of
7 agencies with respect to any pending adjudicative or
8 investigative matters.

9 We're trying to lay out circumstances where
10 people should not contact agencies, circumstances where
11 contacts might be permissible, but in virtually all
12 situations taking the position that it come through the
13 Counsel's Office. We were trying to centralize any contacts
14 with agencies with respect to these type of matters through
15 the Counsel's Office because we felt we would be in a
16 position to make a judgment what is an appropriate contact
17 and what is not an appropriate contact. We didn't want
18 people inadvertently making inappropriate contacts.

19 Q Was the March 9th memorandum, N40 through 42,
20 created as a result of a theoretical issue or a practical
21 issue?

22 A I think people came to Neuwirth with questions

1 about the February 22nd memorandum, and he and I determined
2 to try to condense certain key features of that into the
3 March 9th memorandum. I don't remember any particular issue
4 coming up or any particular contact coming up. It's
5 possible that it did, but I don't remember. Neuwirth may
6 remember because he was the one directly responsible for
7 drafting these memoranda and then discussing them with me.

8 Q Was Ms. Nolan with the White House at the time
9 this memorandum was created, the March 9th, Exhibit 40
10 through 42?

11 A I don't recall. My best memory is it was just
12 about the time she came. I have a feeling she was there by
13 this time, but I'm not positive.

14 (Previously marked Exhibit
15 N000043 and N44 was shown
16 to the witness.)

17 MR. CODINHA: I would like to show you Exhibit
18 N000043 and N44.

19 And let me just add to the record, and this is
20 for the stenographer, I've been advised that when these
21 transcripts have been provided to us the exhibit numbers are
22 not listed on a separate page. We would like to be sure

1 that the exhibit numbers are listed on an index at the
2 beginning of the depositions. It would just make it easier
3 for us to follow, and the exhibit numbers should also be
4 highlighted on the page of the transcript when an exhibit is
5 used.

6 BY MR. CODINHA:

7 Q Looking at the exhibit that I've just shown you,
8 the May 4th memorandum, was that prepared at your request?

9 A No.

10 Q And did you review it at or about the time it was
11 prepared?

12 A Yes.

13 Q And is its subject Prohibited Contacts With
14 Agencies?

15 A Yes.

16 Q What was the reason that the May 4th, 1993
17 memorandum was prepared?

18 A At about that time there was a regulatory review
19 project being undertaken in the White House and coordinated
20 by Jack Quinn, who was Counsel to the Vice President at the
21 time, he is now Chief of Staff to the Vice President, in
22 cooperation, as the memorandum states, with Sally Katzin,

1 who was the Administrator-Designate of OIRA which deals
2 regulatory affairs.

3 What this memorandum was designed to do was to
4 ensure, as the memorandum says, that the White House not
5 send conflicting messages to any agencies or departments and
6 that all communications on specific regulatory rulemaking
7 matters should be discussed in advance with Jack Quinn. In
8 other words, we brought Jack Quinn into the process, the
9 Vice President's Counsel, because he was in charge of the
10 regulatory review process, and we wanted to make sure that,
11 you know, people don't contact, different people in the
12 White House don't contact agencies with respect to specific
13 regulatory or rulemaking matters without going through
14 Quinn.

15 Quinn was going to set up a process by which this
16 would be done, and a process ultimately was set up and an
17 Executive Order was issued by the President. In the interim
18 we had no process, no formal regulatory process, and
19 consequently we were trying to make sure that different
20 people, you know, go through Quinn who was going to set up
21 the process, and that's why this memorandum was drafted.

22

1 (Previously marked Exhibit
2 N000045 and 46 was shown
3 to the witness.)

4 MR. CODINHA: I would like to show you the next
5 document, N000045 and 46.

6 MR. PEDOWITZ: Shouldn't that be a three-page
7 document?

8 MR. CODINHA: Yes, it is a three-page document.
9 I would tell you in the one we've received page 1, which is
10 the cover page of the July 2nd, 1993 memo, is numbered 45,
11 and the page 3 is numbered page 46. We're apparently
12 missing page 2. So I'm going to have to change it.

13 MR. PEDOWITZ: I've also seen a two-page copy of
14 this document at one time. So it doesn't surprise me that
15 there are some floating around without the second page, but
16 I think there is a second page to the document.

17 (Previously marked Exhibit
18 Y000013 thru 15 was shown
19 to the witness.)

20 BY MR. CODINHA:

21 Q Let me shift numbers. I would like to show you a
22 document Y000013 through Y000015. Do you recognize that

1 document?

2 A Yes, I recognize this document.

3 Q Did you see it at or about the time it was
4 created?

5 A I did.

6 Q Did you review it at or about the time it was
7 created?

8 A I did.

9 Q Is its subject matter Policy Regarding
10 Investigations and Investigatory Agencies?

11 A It is.

12 Q What was the purpose in creating that document?

13 A At about this time the White House had issued, or
14 was about to issue a report, an internal management review
15 arising out of the Travel Office situation, which I alluded
16 to earlier in this deposition, and in connection with that
17 we wanted to again just clarify our rules with respect to
18 contacts with investigatory agencies.

19 In the Travel Office situation there had been a
20 contact where an investigatory agency, the FBI, had been
21 asked to come in and take a look at the situation with
22 respect to the Travel Office. That occasioned a fair amount

1 of criticism in the press and maybe in other places, too.

2 So what we determined to do, even though that
3 contact with the FBI at the time it was made did not violate
4 any policy, we determined, for example, that with respect to
5 future contacts with the FBI, even with respect to a
6 possible violation of law, instead of calling the FBI
7 directly we would go through the Office of the Attorney
8 General, the Deputy Attorney General or the Associate
9 Attorney General.

10 That was a sort of change in policy that I did as
11 a result of the Travel Office thing after discussing it with
12 the Attorney and this reflected that change in policy. I
13 think there was a prior memorandum actually with respect to
14 that change in policy before this, or a press release issued
15 with respect to that.

16 But this then sort of clarified that rule as well
17 as other rules with regard to contacts with investigatory
18 agencies, such as the IRS. There was an IRS issue that
19 arose in connection with the Travel Office. There were
20 claims that people had contacted the IRS. There was no
21 truth to such claims, but there were claims. So we again
22 laid out the rules with respect to that.

1 This resulted from the Travel Office
2 investigation. I don't want to go through the whole thing
3 because it reflects issues that arose during that
4 investigation.

5 Q Let me show you on page Y000015 paragraph No. 2,
6 beginning "White House Press Office Disclosure of Ongoing
7 Investigations." Did you that at about the time it was
8 created?

9 A Yes.

10 Q Was that the practice -- why don't you read the
11 paragraph right now before I ask you the question.

12 (Witness complies.)

13 MR. CODINHA: Why don't I just read it into the
14 record because we want to make a record on this.

15 THE WITNESS: Sure.

16 MR. CODINHA: The paragraph reads: "White House
17 Press Office Disclosure of Ongoing Investigations." That's
18 how it's titled and underlined. "The White House Press
19 Office generally should not disclose ongoing investigations.
20 In extraordinary circumstances, it is possible that a
21 disclosure would be determined to serve the public interest.
22 Even in such extraordinary circumstances, Press Office

1 disclosure should be made only with the approval of, one,
2 the Counsel to the President and, two, the Chief of Staff or
3 Deputy Chief of Staff. Such disclosures should be made,
4 moreover, if possible, only after consultation between the
5 Counsel to the President and senior officials of the
6 investigative entity's department."

7 Have I read that correctly?

8 THE WITNESS: Correct.

9 BY MR. CODINHA:

10 Q Having now read it, was that policy followed
11 while you were Counsel to the President at the White House?

12 A I believe so.

13 Q I would like to now turn your attention, sir, to
14 another subject, which is documents and document handling.

15 What procedures were in place in the White House
16 Counsel's Office during the time you were Counsel to the
17 President for document handling and filing, if you know?

18 A Documents would come in, and it's a very broad
19 question, but documents would come into the White House
20 Counsel's Office. In the front office my two secretaries or
21 assistants, Betsy Pond and Linda Trip, and a relatively
22 young assistant in that office, too, Tom Castleton, would

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1 make an initial cut, an initial determination of who should
2 get what documents. We had a large flow of documents into
3 the office and we were trying to evolve procedures on how to
4 handle them.

5 They would then sort of send them on to the
6 appropriate people, and anything obviously of any
7 sensitivity at all would normally come to me or to Vince
8 Foster when he was alive. Then we had a filing system in
9 the office to file documents by subject matter. We set up a
10 filing system like you would set up in a law firm basically.
11 We had subject matter files and we had chronological files
12 with respect to correspondence and, you know, we created
13 that as we went along basically because when we arrived at
14 the White House Counsel's Office it was empty of everything.

15 Q Did the White House document handling system use
16 routing slips?

17 A Yes.

18 Q Was there a centralized calendar system within
19 the White House Counsel's Office?

20 A A centralized calendar system?

21 Q A calendar system.

22 A What do mean by a calendar system?

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1 Q Well was there, for instance, a computer that
2 might print out everyone's calendar and the meetings that
3 they had scheduled that you had access to?

4 A My secretary, or my assistants prepared a
5 calendar for me, which was a computer printout, and other
6 White House people, counsel people I believe had similar
7 calendars printed for them from time to time. Mine was more
8 extensive and, you know, more detailed, but my appointments
9 were reflected in a calendar which was contained in our
10 computer system.

11 Q Did you keep personal calendars during that time
12 period, your own, for instance a daytime or ---

13 A No. I used to do that in private practice, but
14 it became overwhelming in the Counsel's Office. I didn't do
15 that, but I used the calendar generated by the computer by
16 and large. I would tell my staff, you know, what
17 appointments I was having, or they would make appointments
18 for me, and then each day, and sometimes a number of times a
19 day they would just generate these calendars for me.

20 Q Did you receive schedules every day of the
21 meetings that you were intending to attend?

22 A From time to time I did, but after a while I just

1 relied on the calendar. At one period, I think relatively
2 early, I would get a schedule each day of the meetings I was
3 supposed to attend. I thought that would be the most
4 efficient way of operating, but it turned out that the
5 calendar became, or was one document. I had a calendar.
6 Now the calendar had to be continually updated because
7 meetings would change, you know. So sometimes I would get a
8 calendar, and sometimes I would ask my staff for another
9 copy of the calendar to make sure I had the most current
10 copy.

11 The calendar, by the way, was a calendar of the
12 entire month normally, and sometimes I carried that around
13 with me as well as perhaps three-months' worth. I just
14 carried it in my pocket. Then I discarded them as they
15 became overtaken by events.

16 Q You've mentioned that there were daily staff
17 meetings in the White House Counsel's Office. What time did
18 those occur?

19 A They usually occurred about 9 o'clock in the
20 morning.

21 Q At the daily staff meetings were calendar items
22 discussed?

1 A I don't know what you mean by calendar items.
2 When I think of a calendar item I'm just talking about an
3 appointment, that I have a meeting scheduled. What was
4 discussed at the daily staff meetings was what was currently
5 going on in the office.

6 Q And would meetings that were scheduled be
7 discussed at the daily staff meetings?

8 A Sometimes. Not always, sometimes.

9 Q The memoranda that have been entered into the
10 record so far, the "N" numbered memoranda, N33 through 39,
11 N40 through 42, N43 through 44 and Y13 through 15, were
12 those memoranda discussed at the staff meetings?

13 A I don't recall. They may have been. They
14 probably were.

15 Q After they were promulgated, were there any
16 discussions of those memoranda?

17 A After they were promulgated?

18 MR. PEDOWITZ: With whom?

19 MR. CODINHA: With the staff.

20 THE WITNESS: You're talking about the staff
21 meeting. I assume you're talking about the staff
22 meeting.

1 MR. CODINHA: Yes.

2 THE WITNESS: I have no recollection, specific
3 recollection, but my answer is probably, likely, but I have
4 no specific recollection.

5 BY MR. CODINHA:

6 Q When you personally attended meetings, did you
7 keep your own personal set of notes of those meetings?

8 A No.

9 Q Is it your practice routinely to take notes at
10 meetings?

11 A It is not my practice to take notes at meetings.

12 Q Did you routinely keep to-do lists during the
13 calendar year 1993?

14 A From time to time I would a to-do thing on a
15 scrap of paper, but I would throw it away. I mean I didn't
16 keep it as a regular file or anything like that.

17 MR. CODINHA: I'm going to be using some terms as
18 I question you from here on in, and the terms I'm going to
19 be using are White House Development Corporation and Madison
20 Guaranty Savings and Loan Association. For brevity's sake I
21 will refer to Whitewater and Madison. So understand when
22 I'm referring to those entities I'm referring to the entire

1 entity, but what I'll say is Whitewater or Madison.

2 Do you object to that?

3 THE WITNESS: No.

4 BY MR. CODINHA:

5 Q With respect to the term Whitewater, when was the
6 first time you heard that term?

7 A Probably sometime in 1992 during the campaign. I
8 was following the campaign obviously very actively, although
9 I wasn't participating in it on a daily basis. So I
10 probably read those stories, which were printed in the New
11 York Times, or I'm virtually certain I read those stories
12 that were printed in the New York Times in 1992. I have no
13 present memory of reading the story, but I'm virtually
14 certain I heard about it at that time.

15 MR. PEDOWITZ: Heard about it or read about it?

16 THE WITNESS: Read about it.

17 BY MR. CODINHA:

18 Q With respect to the term Madison, when did you
19 first hear about Madison?

20 A You know, I can't recall, but I believe it
21 probably was on or about September 29th, 1993. Not on or
22 about, on September 29th, 1993 when I had the conversation

1 with Jean Hanson.

2 Q At some point prior to September 29th, 1993 had
3 you ever learned about a 1992 criminal referral from the RTC
4 to the Justice Department?

5 A I don't believe so.

6 Q Did you know who Bruce Lindsay was?

7 A Oh, yes.

8 Q And who did you know Bruce Lindsay to be after
9 January 20th of 1993?

10 A He was the Senior Advisor to the President as
11 well as Head of White House Personnel.

12 Q And as the Senior Advisor to the President did
13 you interact professionally with Ms. Hanson Mr. Lindsay?

14 A Yes, a great deal.

15 Q Do you recall having any discussions with Mr.
16 Lindsay prior to September 29th, 1993 about the 1992
17 criminal referral from RTC to the Justice Department?

18 A It is possible, but I don't remember any such
19 discussions. You know, I just don't remember, and I don't
20 remember hearing about it at this point.

21 Q I would like to turn your attention to March of
22 1993. Do you recall receiving information with respect to

1 press information about Madison or Whitewater at that time?

2 A No, I don't. I know obviously that there was a
3 fax sent to me by Roger Altman, or apparently sent to me by
4 Roger Altman in March of 1993. I had absolutely no memory
5 of that occurring. I learned about it in late September or
6 early October of 1993, but I did find that fax in my files
7 in late September or early October of 1993.

8 (Previously marked Exhibit
9 N000001 thru 06 was shown
10 to the witness.)

11 Q I would like to turn your attention to a document
12 numbered N00001 through 06. Do you recognize that document?

13 A This appears to be the fax that was in my file,
14 in the file in my office which I learned in September or
15 October of 1993. I don't remember receiving it at the time
16 that it was apparently sent, which is March of 1993.

17 (Previously marked Exhibit
18 N000007 thru 09 was shown
19 to the witness.)

20 BY MR. CODINHA:

21 Q I would to show you documents N000007 through
22 N000009. Do you recognize those documents?

1 A It's similar to the one you just showed me.
2 Since I don't remember getting it in the first place, I
3 don't know why one is on sort of a fax sheet and the other
4 one is just handwritten out, but I believe this is probably
5 also in my file which I determined in late September or
6 early October. It was early October 1993. Again, as I
7 stated, I didn't remember getting it at the time or reading
8 it at the time.

9 MR. PEDOWITZ: You said you didn't remember
10 receiving it or getting it at the time. What time?

11 THE WITNESS: The time, March 1993.

12 MR. PEDOWITZ: You didn't remember having
13 received it in early October when it was found in your
14 files?

15 THE WITNESS: Correct.

16 BY MR. CODINHA:

17 Q The documents numbered N07 through N09 appear
18 from the date that is on the top of the fax to have been
19 sent on March 23rd of '93. N01 through N06 appear to be
20 sent on March 24th of 1993.

21 Giving you that piece of information, did you
22 know on March 23rd of 1993 what position Roger Altman held

1 with the Administration?

2 A He was Deputy Secretary of the Treasury.

3 Q Did you know whether he was the Interim CEO of
4 the RTC?

5 A I may have. I'm not sure I did, but I may have.

6 Q Did you know whether he had any position with the
7 RTC?

8 A I may have. I have no memory at this time. It
9 wouldn't surprise me if I knew or even surprise me if I
10 didn't know. It wasn't a major issue. I may have known.

11 Q During the March period of 1993 were you having
12 any dealings with Mr. Altman that you can how recall?

13 A Was I having any dealings with Mr. Altman during
14 March of 1993? I believe the answer is no, no dealings with
15 Mr. Altman that I can remember on any subject.

16 Q In that you found these faxes in your file, do
17 you have any reason to believe that you didn't see them at
18 or around the time when they were received?

19 A Normally I would see faxes, and certainly a fax
20 from the Deputy Secretary of the Treasury I would normally
21 see. I don't remember seeing this fax. I think I would
22 remember seeing it if I saw the fax. Another reason I would

1 remember I think seeing it is because it contains a story
2 about my case, the Kay, Scholer case. So I think I would
3 remember seeing it, but I don't remember seeing it. So I
4 think it is possible that I never saw it. It would be
5 contrary to our normal office routine if the Deputy
6 Secretary faxes me something for me not to see it, and I may
7 have seen it. I may have seen it and read it and said,
8 okay, just file it, but I don't remember seeing it.

9 Q Turning your attention now to N07 through N09,
10 would it have been your practice if you had reviewed this
11 and seen that there were two articles, one about Clinton
12 defending his real estate deal and one about lawyers
13 agreeing to pay a big fine in an S&L case, would you have
14 contacted the person who sent you the articles? Would that
15 be your practice?

16 A There was no such thing as a practice. If there
17 was a reason to contact somebody, I would contact somebody.
18 It's hard to answer that because there is no general
19 practice. I make calls when there is a reason to make a
20 call. I have no memory of making any call in March of 1993
21 to Mr. Altman with respect to this fax because I don't
22 remember receiving the fax.

1 Q Do you know whether Mr. Altman knew on March 24th
2 or around March 24th that you had been involved in the Kay,
3 Scholer case?

4 A I don't know if he knew, although it was public
5 knowledge in New York and my name was in the newspapers in
6 connection with the case. I don't know if my name is
7 mentioned in that article.

8 Q I did not see it mentioned in the article.

9 I would like to turn your attention now to N01
10 through N06, a fax apparently sent on March 24th from Roger
11 Altman to you. Do you recall whether you saw that fax at or
12 about the time it arrived?

13 A I do not recall whether I saw that fax. I have
14 no memory of seeing that fax.

15 Q There are some handwritten notations on the top
16 of the fax sheet in the upper-right-hand corner. Do you
17 recognize the handwriting on that in the upper-right-hand
18 corner?

19 A I do not.

20 Q It's not your handwriting?

21 A It is not my handwriting. It's too neat to be my
22 handwriting.

1 Q In March of 1993 do you recall contacting Mr.
2 Altman about the subject matter of the faxes?

3 A No.

4 Q Do you recall Mr. Altman contacting you about the
5 subject matter of the faxes?

6 A No.

7 Q You indicated that the first time that you heard
8 the terms Madison or Whitewater in 1993, or that you recall
9 hearing them was September 29th, 1993. Is that accurate?

10 A I didn't hear Whitewater.

11 Q I said Madison or Whitewater.

12 A I'm not even sure I heard the word Madison. I
13 heard about an Arkansas Savings and Loan being the object of
14 a criminal referral. I know you're going to get to the
15 September 29th meeting eventually, but I don't remember if
16 the words Madison or Madison Savings and Loan were mentioned
17 in that meeting. I remember a reference to an Arkansas
18 Savings and Loan, which I now know to be Madison. My memory
19 is I just first heard about it at that September 29th
20 meeting. There was no mention of Whitewater at that
21 meeting.

22 Q Prior to September 29th when did you first become

1 aware you were going to have a meeting which related to this
2 Arkansas Savings and Loan?

3 A I did not become aware of it before the September
4 29th meeting.

5 Q So the first time you ever heard about anything
6 was at the September 29th meeting?

7 A Yes.

8 Q And when I say "anything," anything relating to
9 this Arkansas Savings and Loan or Whitewater or Madison?

10 A Yes.

11 Q Did you know who Jean Hanson was?

12 A Yes.

13 Q Did you know who she was before September 29th?

14 A Yes.

15 Q Who did you know her to be?

16 A General Counsel of the Department of the Treasury
17 and a former partner in a law firm in New York.

18 Q Had you known her in your professional practice
19 when you were a lawyer in New York?

20 A I had not.

21 Q Were you involved in the hiring of Ms. Hanson?

22 A I was not.

1 Q Do you recall speaking with Ms. Hanson on
2 September 28th about arranging a meeting for sometime later?

3 A I do not. Well obviously we arranged a meeting
4 on September 29th on Waco, but I don't recall who arranged
5 that meeting. Somebody called to arrange that meeting. It
6 could have been Ms. Hanson, or it could have been more
7 likely Ron Nobel, but I'm not sure who called to arrange
8 that meeting.

9 Q Do you recall a meeting with Ms. Hanson on
10 September 29th?

11 A Yes.

12 Q When do you recall that the meeting occurred?

13 A I believe it occurred late in the afternoon.

14 Q What did you understand the subject matter of the
15 meeting was to be?

16 A Waco.

17 Q Was Waco the involvement of the Treasury ATF with
18 the Branch Davidians in Waco, Texas?

19 A Yes.

20 Q What reason were you meeting with Ms. Hanson
21 about that subject?

22 A Well it was not just with Ms. Hanson. Actually

1 the primary person at that meeting from the Treasury
2 Department was Ron Nobel. A meeting was set up, and I don't
3 remember who set it up, in my office on September 29th for
4 Treasury people to come over to meet with me and members of
5 my staff to describe to us a report which was about to be
6 issued by the Treasury Department, they wanted to make the
7 White House aware of such a report, with respect to a
8 Treasury Department investigation of the conduct of the ATF,
9 the Alcohol, Tobacco and Firearms Unit of the ATF, which had
10 engaged in this siege of the Branch Davidians in Waco,
11 Texas.

12 There has been an investigation subsequent to the
13 tragic ending to that siege, and there was an investigation
14 into the conduct of the ATF. That investigation had
15 concluded, a report was about to be issued, and I think it
16 was going to be issued on September 30th. Treasury wished
17 to brief the White House because the White House would
18 undoubtedly question with respect to it.

19 So a meeting was set up in my office for that
20 purpose, and the people who attended that meeting from the
21 Treasury to my memory were Ron Nobel, who was going to do
22 the briefing because he was in charge of the investigation,

1 Jack DeVore, who was an Assistant Secretary to Treasury for
 2 Public Affairs, Josh Steiner, who was Chief of Staff to
 3 Roger Altman and Jean Hanson, who is General Counsel of the
 4 Department of the Treasury.

5 I was present and, because this involved a law
 6 enforcement matter, I had Cliff Sloan present and probably,
 7 I'm not positive of this, but I believe Neil Eggleston was
 8 present. You can check that with Neil, but I have a feeling
 9 he was present, too. He had just come on in September.
 10 That's why I'm not a hundred percent sure. This meeting
 11 concerned this Waco report, and we received a briefing with
 12 respect to the Waco report.

13 Q How long did the meeting briefing last?

14 A About 30 or 40 minutes.

15 Q Did this take place in your office?

16 A It took place in my office, yes.

17 Q Did the meeting at some point conclude, the
 18 meeting about Waco?

19 A Yes, it did.

20 Q What happened next after the conclusion of the
 21 Waco portion of the meeting?

22 A As we were concluding the meeting everybody got

1 up to start going out and Jean Hanson said, Bernie, I want
 2 to tell you something.

3 MR. PEDOWITZ: Are you using exact words as
 4 you're describing this?

5 THE WITNESS: No, I'm not using exact words. I
 6 have a tendency sometimes to talk as if I'm remember the
 7 exact words. What I'm giving you is the substance of the
 8 conversation, even if my form sometimes is to make it sound
 9 like I'm quoting people, but I don't remember obviously the
 10 exact words. I remember the substance of the conversation.

11 BY MR. CODINHA:

12 Q Let me ask you first, as best you can recall, to
 13 say what Ms. Hanson said to you and what you said to her, as
 14 best you can recall the words that were used.

15 A As best as I can recall, Ms. Hanson said to
 16 me ---

17 MR. PEDOWITZ: Do you recall any of the specific
 18 words that were used?

19 THE WITNESS: I do not recall the specific words
 20 that were used. I recall the substance of the conversation.

21 BY MR. CODINHA:

22 Q Do you have any documents or material that would

1 help you to remember the precise words that were used?

2 A No.

3 Q Was anyone else present during that conversation?

4 A Not the initial portion of the conversation.

5 Q How long did the initial portion of the

6 conversation last?

7 A The initial portion of the conversation between

8 Ms. Hanson and myself lasted about three minutes.

9 Q At some point did someone else join the
10 conversation?

11 A Yes.

12 Q Who else joined?

13 A Cliff Sloan.

14 Q What were the circumstances under which Mr. Sloan
15 joined the conversation?

16 A I asked Ms. Hanson to repeat to Mr. Sloan what
17 she had just said to me.

18 Q How long did the entire conversation last?

19 A I don't think it lasted longer than five minutes.

20 Q Was anyone else present at the conversation?

21 A No.

22 Q As best you can recall, would you tell us today

1 what you remember the Committee conversation being, and if
2 you can't remember the exact words, which you already
3 testified to, would you give us the gist of the
4 conversation.

5 A I will give you the gist of the conversation.
6 Ms. Hanson said to me I want to let you know that a number
7 of referrals are being made, have been made or are about to
8 be made, I don't remember specifically what she said, by the
9 RTC to the Justice Department for possible criminal
10 investigation. She said these referrals involve the
11 activities of an Arkansas Savings and Loan Association. She
12 may or may not have said the word Madison. I don't
13 remember. I don't remember hearing it.

14 She said one of the referrals involves the
15 possibility of improper campaign contributions from the
16 Savings and Loan Association to the Clinton gubernatorial
17 campaign. She said as I looked up at her the Clinton's,
18 this I remember very vividly, are not subjects or objects or
19 targets of this investigation, and I don't remember the
20 words she used, and she didn't use all those words
21 obviously, but their name has been mentioned in the referral
22 and they are potential witnesses.

1 She said that undoubtedly this type of thing will
 2 leak to the press, because that has occurred in the past
 3 apparently with respect to RTC referrals, and the reason
 4 she's telling me this is that White House should be in a
 5 position to respond to press inquiries with respect to this
 6 matter because if there is a leak, as there will likely be,
 7 the White House will certainly get press inquiries with
 8 respect to this matter.

9 That's all I remember her saying. I just
 10 listened to her.

11 MR. PEDOWITZ: Just a moment.

12 (Witness and his counsel confer.)

13 THE WITNESS: I believe she also said, and I'm
 14 not positive, with respect to these contributions that the
 15 referral concerned -- I said the possibility of improper
 16 campaign contributions, and she may have mentioned, I think
 17 she mentioned or I remember her mentioning that it concerned
 18 a number of checks, and I believe she said four checks that
 19 went from the Savings and Loan to the Clinton gubernatorial
 20 campaign. I'm not certain she said that, I'm not positive,
 21 but that's my memory. That's my best memory that she
 22 mentioned four checks or a number of checks, that that was

1 being looked at. That's what I remember about the
 2 conversation. That's what I remember us saying.

3 MR. PEDOWITZ: That was the first part of the
 4 conversation.

5 THE WITNESS: Yes.

6 BY MR. CODINHA:

7 Q And that's when you were standing there with Ms.
 8 Hanson?

9 A That's correct.

10 Q How did she deliver this information to you?

11 A Just the way I delivered it to you.

12 Q Flat toned, I want to let you know this?

13 A Flat toned, but made very clear two things, one
 14 that the Clinton's were not targets of this investigation
 15 and, two, that we're going to get press inquiries because
 16 there are likely to be leaks. That's the gist, and the
 17 conveying of this information took I think about 180
 18 seconds.

19 Q Did you take any notes of what she had told you?

20 A No.

21 Q Did you consider the information that she had
 22 given you to be important information?

1 A The answer is no, not very. It's just to be
 2 another hassle. We're going to be asked questions and we're
 3 going to have to respond to questions that the Clinton's are
 4 not targets of any investigation. There is going to be a
 5 lot of misinformation and possible charges, and we just have
 6 to get ready to respond in a correct, factual, truthful way
 7 to press inquiries. If they had told that the Clinton's
 8 were targets of a criminal investigation, I would have
 9 considered it highly important, but that's not what was said
 10 to me, and therefore I didn't consider it, you know, highly
 11 important. It was something we have to deal with. The
 12 White House has to respond to press inquiries. It's part of
 13 its official function and official duties. So it has to be
 14 done.

15 That's why, and I'll go to the next step, I said
 16 I want somebody on my staff to work on this thing. I called
 17 Cliff, who was sort of waiting in the outer office, and I
 18 said, Cliff, come back I want you to hear something.

19 Should I go on?

20 MR. PEDOWITZ: Actually could we take a break?

21 MR. CODINHA: Sure. We've gone more than two
 22 hours. So we've broken my own personal rule. Why don't we

 90

1 take five minutes.

2 (Recess taken from 10:58 to 11:05 a.m.)

3 MR. CODINHA: Back on the record.

4 Mr. Nussbaum, since we've had a break, it is my
 5 practice, and I'll try to observe it, to always ask you
 6 after breaks whether there are any changes or you would like
 7 to expand your testimony in any way since you've had an
 8 opportunity to reflect?

9 THE WITNESS: No.

10 EXAMINATION (Resuming)

11 BY MR. CODINHA:

12 Q I think when we broke we were talking about the
 13 September 29th meeting that you had with Jean Hanson and you
 14 had told us the gist of the first portion of the
 15 conversation that you and Ms. Hanson had.

16 With respect to that conversation do you recall
 17 Ms. Hanson mentioning any names to you of individuals who
 18 were named in the criminal referrals?

19 A No.

20 Q Do you recall her mentioning the name Fulbright?

21 A No.

22 Q Or Senator Fulbright?

- 1 A No.
- 2 Q Peacock?
- 3 A No.
- 4 Q McDougal?
- 5 A No.
- 6 Q Jim Guy Tucker?
- 7 A No.
- 8 Q Did she mentioned the name William Roelle?
- 9 A No.
- 10 Q Did you know who Mr. William Roelle was?
- 11 A I did not then. I believe now he is an official
- 12 of the RTC, but I didn't know his name then.
- 13 Q I believe you said that Ms. Hanson was telling
- 14 you that there were a number of referrals that either are
- 15 being made or had been made from the RTC to the Justice
- 16 Department.
- 17 A Correct, that had been made or were about to be
- 18 made.
- 19 Q Had you read anything in the newspapers or in the
- 20 press about those to the moment when Ms. Hanson was telling
- 21 you about that?
- 22 A I don't believe so.
-

- 1 Q Did this come as a surprise to you that these RTC
- 2 referrals were being made?
- 3 A I never thought about the issue. I won't say I
- 4 was surprised because I never thought about it. I mean it
- 5 was a fact. She was conveying a fact, a fact which was
- 6 going to result in press inquiries to the White House.
- 7 That's what went through my mind.
- 8 Q When Ms. Hanson explained how the Clinton's had
- 9 been described in the referrals, do you recall whether she
- 10 talked about the Clinton's as both Mr. and Mrs. Clinton or
- 11 just the President?
- 12 A I think she said the Clinton's. That's what I
- 13 remember. You can test her memory and she can give her
- 14 version, but I remember the Clinton's are potential
- 15 witnesses. That's what I remember.
- 16 Q You said that she used a term and you said you
- 17 couldn't recall whether she said, as referring to the
- 18 Clinton's, that they weren't targets or they weren't
- 19 subjects, but she used some term; is that correct?
- 20 A Objects maybe. She clearly made clear to me that
- 21 they were not. I know I fall into using terms that I'm used
- 22 to by being a prosecutor and a defense attorney, target and

1 subject terminology. I'm not sure that she used that
2 terminology, that she used the target or subject
3 terminology. She used witnesses. I know she said they're
4 potential witnesses. But she made it clear to me that they
5 were not the objects of the investigation.

6 Q Now you had been a former Assistant U.S. Attorney
7 in the Southern District?

8 A Yes.

9 Q And as such you were familiar with the term
10 target?

11 A Yes, I am.

12 Q Did you later on have any white collar practice
13 that you continued familiarity with the term target?

14 A Yes.

15 Q You were familiar with the term as it is used in
16 the criminal practice of subject?

17 A Yes.

18 Q And you also were familiar with the terminology
19 of witnesses as used in criminal practice?

20 A Yes.

21 Q Did you press Ms. Hanson to try to get her to
22 define how the Clinton's were being described to you?

1 A No, because she made it clear in the conversation
2 I mentioned that they were merely potential witnesses, and I
3 understood immediately what she was saying, that they were
4 not the target or subject or object of this investigation.

5 Q Did you try to make a determination at that time
6 whether Ms. Hanson knew herself the difference between
7 target, subject or witness?

8 A I did not.

9 Q When Ms. Hanson had this meeting with you did she
10 speak from notes or from memory?

11 A My memory now is that she spoke from memory.

12 Q Did she seem to be familiar with the facts as she
13 was relating them to you?

14 A She seemed to be familiar with what she was
15 saying to me. I don't know if she's familiar with any
16 additional facts, but she's an able, articulate person, and
17 she said what I remember her saying.

18 Q When she had this conversation with you, did you
19 ask her how she had found out the information?

20 A No.

21 Q Did it appear curious to you at that time that
22 Ms. Hanson, who was a Treasury official, was giving you

1 information from the RTC?

2 A No.

3 Q Did Ms. Hanson say anything to you in that
4 conversation that the information she was delivering to you
5 had already leaked or come out of the RTC?

6 A No, she did not say that to me. I don't remember
7 her saying that to me. I remember her saying to me, as I
8 indicated, that this information was likely to leak shortly
9 and the White House would be likely to have to respond to
10 press inquiries. I don't remember her saying to me the
11 information had already leaked.

12 Q Then based on her conversation with you, did you
13 believe you were receiving information relating to criminal
14 referrals that was not public knowledge?

15 A Yes, but it was about to be public knowledge very
16 shortly and the White House would have to respond. The
17 answer to your specific question is yes.

18 Q And when you called Mr. Sloan, what role were you
19 calling him in as?

20 A As one of my Associate Counsel who was assisting
21 me on the performance of my duties.

22 Q I mean were you calling him as he was lawyer

1 within the Counsel's Office?

2 A Yes.

3 Q I believe it was words to the effect that you
4 said to Ms. Hanson would you repeat that for Mr. Sloan. I
5 mean is that what you said ---

6 A That's correct.

7 Q --- or words to that effect?

8 A Words to that effect.

9 Q Did Ms. Hanson do anything when you said that?

10 A She repeated what she had told me to Mr. Sloan in
11 similar words. I mean obviously she didn't say it word for
12 word, but she said the same thing.

13 Q Did Mr. Sloan take notes when he was listening to
14 Ms. Hanson, if you can recall?

15 A I believe not.

16 Q Were people standing up taking this information,
17 or were they sitting around your desk, can you recall?

18 A We were standing up.

19 Q Was Mr. Steiner still present?

20 A No.

21 Q Had the other people from the Treasury left?

22 A Yes.

1 Q When Ms. Hanson said to you in the first portion
2 of the conversation that she believed that there might be a
3 leak from the RTC did you question her about that?

4 A No.

5 Q Did you ask her what was her basis for believing
6 there would be a leak?

7 A No. This is Washington and September already,
8 and to tell me there was going to be a leak, especially
9 about anything that, you know, mentions the Clinton's, is
10 not surprising. But in any event I should answer your
11 question. The answer is I did not ask her on what basis.

12 Q Was there anything that led you to believe that
13 what she was telling you involved anything to do with
14 Washington rather than an Arkansas referral?

15 A No.

16 Q So when you say this is Washington and anything
17 involving the Clinton's, did you mean that if it was in
18 Washington there might be a leak, but if it was in
19 Arkansas ---

20 A Oh, no, I didn't mean that. I meant anything
21 involving the Clinton's anywhere from a government agency
22 was likely to leak. But to answer you, the basis, I didn't

1 ask her why she thought there would be a leak. I didn't ask
2 her that.

3 Q When you called Mr. Sloan in and he listened to
4 this information, did Mr. Sloan ask her any questions about
5 why she believed there would be a leak?

6 A No, I ---

7 Q Did Mr. Sloan ask her any ---

8 MR. PEDOWITZ: Did you get to answer that
9 question completely because I heard you start to say
10 something else.

11 A All I was going to say is no, I don't believe so.

12 MR. CODINHA: I apologize for cutting you off.
13 Don't let me do that.

14 THE WITNESS: I do it to you and you do it to me.

15 BY MR. CODINHA:

16 Q With respect to Mr. Sloan's participation, did
17 Mr. Sloan have a criminal background also and experience in
18 the U.S. Attorney's Office?

19 A He was in the Department of Justice, he was in
20 the Solicitor General's Office, and he was a partner in
21 Mayer, Brown, which had a white collar practice. He was
22 more of a, I shouldn't use this terminology, a law man than

1 a fact man, so to speak, or woman. But that's the answer to
 2 your question. He wasn't in the U.S. Attorney's Office. He
 3 was in the Solicitor General's Office. He also clerked for
 4 the Supreme Court and he had a lot of experience.

5 Q Are you finished?

6 A Yes.

7 Q Did you call Mr. Sloan in particularly, or did
 8 you call him in because he had been at the prior meeting?

9 A That's a good question. You know, it's a
 10 combination of both. He would be one of the people I would
 11 consider to deal with this issue, but I may not use him to
 12 deal with this issue. But he had been at the prior meeting
 13 and he was there. It's like a little law firm. He's there,
 14 a problem arises, Cliff, come in and help me deal with this
 15 problem. His being at the prior meeting increased the
 16 likelihood that I would call him in because he was there.

17 Q Was there a reason why you wanted Ms. Hanson to
 18 repeat the story to Mr. Sloan rather than you just
 19 explaining to Mr. Sloan what Ms. Hanson had said?

20 A Normally I would do that actually, explain, but
 21 it was so brief and it was so short what she said that I
 22 said to Ms. Hanson just repeat it to Mr. Sloan. That's what

1 I remember, and that's why I remember having her repeat it
 2 because it was so short I figured she could say it better
 3 than me.

4 Q Do you recall Mr. Sloan asking Ms. Hanson any
 5 questions about her story?

6 A I do not. I don't recall him saying anything or
 7 asking any questions about her story.

8 I didn't finish, you know, what I said in this
 9 conversation at this point. I mean there is one part that
 10 we haven't got to, because I said something in addition to
 11 asking Ms. Hanson to repeat it to Mr. Sloan.

12 Q All right. Have we now finished the portion
 13 which deals with what Ms. Hanson said to you and then what
 14 Ms. Hanson said to Mr. Sloan and what Mr. Sloan said to Ms.
 15 Hanson, or is there more to add to that portion?

16 A There is no more to add to that portion.

17 MR. PEDOWITZ: Just a second.

18 (Witness and his counsel confer.)

19 THE WITNESS: Yes, I'm sorry.

20 BY MR. CODINHA:

21 Q Would you like to expand your answer?

22 A Yes, I would like to expand. Yes, I remember

1 something now. When Ms. Hanson repeated what she said to me
2 to Mr. Sloan she also said for the first time, I think she
3 said Roger has sent you, I think that Roger has sent you
4 some material with respect to this matter. And I recall
5 looking at her blankly and saying something to the effect,
6 and I don't remember my exact words, I don't know what
7 you're talking about, or I don't remember getting any
8 material from Roger. Roger Altman she was referring to
9 obviously with respect to this matter. She said, well I
10 thought he sent you some material with respect to this
11 matter, and I said I don't know what you're talking about,
12 and it sort of dropped.

13 Later on, let me jump forward, later on Sloan
14 came to me, and this is a few days later, or at some point
15 later, I don't quite remember, but it was after this
16 meeting, Sloan came to me and said Jean Hanson had told him
17 she was mistaken when she said that Roger sent me some
18 material with respect to this matter. What she was
19 referring to was a fax that I had received from Treasury
20 early that year containing a newspaper article.

21 At that point I looked, or I had somebody look, I
22 don't remember the exact sequence, for the fax, and sure

1 enough the fax that we discussed earlier, the March 23rd and
2 March 24th, 1993 fax was sitting in a file in my office.
3 And I just looked at it and said I just had no memory of
4 ever receiving this, reading it or talking to Altman about
5 it in March of 1993 or at any time thereafter.

6 But that was part of the conversation, the
7 September 29th conversation now, which came out of when
8 Hanson was talking to Sloan, in other words, this reference
9 to Altman sending some material.

10 Q When Ms. Hanson added the piece of information,
11 that Roger has sent you some material with respect to this
12 matter, was she directing that comment to you?

13 A Yes. She just sort of turned to me as she was
14 repeating this very brief statement to Sloan, as I asked her
15 to do, when I said, you know, Jean, repeat to Cliff what you
16 just told me, and she starts repeating it, and then she sort
17 of turned to me and said, oh, by the way, you know I
18 understand Roger sent you some material with respect to this
19 matter, and I said what, I don't know what you're talking
20 about.

21 Q Did you believe at that point she was talking
22 about material relating to the criminal referrals?

1 A I didn't know what she was talking about. I just
2 didn't know because I didn't remember receiving anything.
3 The words I sort of remember is she said some material with
4 respect to this matter, but since I didn't know what she was
5 talking about, I didn't know what material she was talking
6 about or what matter she was talking about at this point.

7 Q Would it have surprised you if Roger Altman, the
8 Deputy Secretary of the Treasury and the Interim CEO of the
9 Resolution Trust Corporation, had sent you some material
10 about these criminal referrals in advance of this meeting?

11 A Oh, I knew he didn't send me any material about
12 these criminal referrals in advance of this meeting. I
13 would have remembered that. That's why I was sort of
14 surprised by her reference to the subject.

15 Q Did you ask her what he had said?

16 A No. All I remember saying is I don't know what
17 you're talking about. I don't remember receiving anything
18 from Roger. And, as I told you, later on Cliff Sloan came
19 and said Jean said she was mistaken, Roger didn't send you
20 any material with respect to this matter. What they were
21 referring to is a fax that Roger had sent you many months
22 ago, and I said I don't remember a fax. Then we went to the

1 file and we found the fax.

2 Q What further conversation, if you can now recall,
3 occurred at that meeting, and when I say that meeting I'm
4 referring to the September 29th meeting?

5 A I understand.

6 MR. PEDOWITZ: That is while Jean was there?

7 MR. CODINHA: While Jean was there.

8 THE WITNESS: The only other thing I recall is I
9 said to Cliff, after he heard Jean repeat what she said to
10 me, is, Cliff, I want you work with Jean with respect to
11 this matter, namely, work with Jean on how to respond to,
12 you know, press inquiries that we're going to undoubtedly
13 get because this thing will likely leak. I want you to be
14 the contact point with Jean with respect to the issue of how
15 the White House should promptly respond to press inquiries
16 which are going to result from this matter.

17 BY MR. CODINHA:

18 Q As you sit here today do you recall using the
19 term "press inquiries" that you told Sloan that he should
20 work with Jean as to how the White House was going to
21 respond to press inquiries?

22 A I believe that's what I said.

1 MR. PEDOWITZ: The words or the essence?

2 THE WITNESS: Did I use the words "press
3 inquiries"?

4 MR. CODINHA: Yes.

5 THE WITNESS: I don't remember if I used the
6 words "press inquiries," but the substance. I don't know if
7 I used those words, but how to respond to the press, you
8 know, how do we deal with this issue when the press calls,
9 that kind of thing, yes. It was clearly in the context of
10 how do we deal with the press. I may have used the words
11 responding to press inquiries. I mean that's the substance
12 of what I said. If you're asking me if I used those two
13 words, I don't know if I used those two words, but that's
14 how I remember the substance of what I said.

15 BY MR. CODINHA:

16 Q At that point did you believe you were
17 designating Mr. Sloan to be the contact person to deal with
18 Jean Hanson as it referred to the information she had given
19 you?

20 A Yes.

21 Q Did you give any instructions to Mr. Sloan that
22 he should limit what he did to only being able to respond to

1 press inquiries?

2 A No. I said something else to Mr. Sloan after
3 Jean left. I mean we're doing this, and you can do it any
4 way you want, but it's still not the whole conversation.

5 Q Well we will continue onto that, but in front of
6 Ms. Hanson did you say anything further to Mr. Sloan?

7 A No, other than that he should be our contact
8 point with Ms. Hanson with respect to this matter in dealing
9 with the press. That's what I remember saying.

10 Q And did Ms. Hanson acknowledge in some fashion
11 that she was going to contact Mr. Sloan with respect to
12 that?

13 A Yes.

14 Q Did Mr. Sloan ask the question of whether there
15 had been any press inquiries yet?

16 A He may have, but I just don't recall.

17 Q Did Mr. Sloan raise the question with Ms. Hanson
18 as to her basis for believing there might be leaks to the
19 press from the RTC?

20 A I don't recall. I've given you what I recall up
21 to that point in the conversation, but I don't recall that.

22 Q At that point, which would have been September of

1 1993, the White House had a sophisticated press apparatus,
2 did it not?

3 A Yes.

4 Q And there were people who were in charge of doing
5 nothing but dealing with the press, were there not?

6 A Yes.

7 Q Did you call any of those people in to meet with
8 Ms. Hanson and to hear her story so that they would be able
9 to respond to the press?

10 A No.

11 Q Up until September 29th ---

12 A If you'll let me finish the conversation -- we'll
13 do it your way, but there is another part of this
14 conversation with Mr. Sloan which you should hear, and which
15 you will hear eventually.

16 Q All right. Perhaps we can alleviate this series
17 of questions by me asking did Ms. Hanson leave at some
18 point?

19 A Yes.

20 Q And when Ms. Hanson left was Mr. Sloan still
21 there?

22 A Yes.

1 Q And did you continue your conversation with Mr.
2 Sloan?

3 A Yes.

4 Q Would you tell us now as best you can recall what
5 you said to Mr. Sloan and what he said to you.

6 A I said ---

7 MR. PEDOWITZ: Now are you using words that you
8 used or the gist of the conversation?

9 THE WITNESS: The gist of the conversation.

10 MR. PEDOWITZ: Do you remember the exact words?

11 THE WITNESS: I do not remember the exact words.

12 I said to Mr. Sloan either you should tell Bruce
13 Lindsay about this or I'll tell Bruce Lindsay about it, and
14 I have a feeling that we both ended up telling Bruce Lindsay
15 about it. I think I walked down, or I may have walked down
16 at that point or sometime thereafter to tell Bruce Lindsay.

17 I said let's tell Bruce Lindsay, you know, what
18 we just heard, and the reason I said that to him, and I
19 don't know if I articulated this to Sloan, but the reason I
20 said it is because Bruce Lindsay is the most knowledgeable
21 about Arkansas affairs before the President became the
22 President, and Bruce Lindsay had also from time to time

1 acted as a spokesman for the White House with the press with
2 respect to what I'll call Arkansas affairs.

3 So Bruce Lindsay was, in addition to his other
4 duties, from time to time somebody who dealt directly with
5 the press with respect to matters concerning events in
6 Arkansas prior to Governor Clinton becoming President of the
7 United States. To me he was the logical person to go to.
8 One, he was most knowledgeable about these areas and, two,
9 he participated from time to time in dealing directly with
10 the press, and I believe at that time and later on he did so
11 to a greater extent than the entire communications outfit
12 that we had.

13 Bruce was more often the spokesman than somebody
14 in this communications outfit, Mark Gearan or Dee Dee Myers
15 or any anybody like that. That's why I told him to let
16 Lindsay know what we had heard because Lindsay would be best
17 able to respond, to gather whatever information he needed
18 and to respond to any press inquiries that came in, and I
19 believe Sloan did contact Lindsay, and I believe I contacted
20 Lindsay with respect to this also.

21
22

1 BY MR. CODINHA:

2 Q Have you now told me as much as you can recall
3 about what you said to Mr. Sloan and Mr. Sloan said to you
4 at that time?

5 A Yes.

6 Q And, to the best of your knowledge, you've given
7 me the gist of the conversation as opposed to the exact
8 words?

9 A That's correct.

10 Q Did you instruct Mr. Sloan or task Mr. Sloan that
11 he ought to try to find out what the real facts were about
12 what Ms. Hanson had told you about?

13 A I don't remember saying that to Mr. Sloan. I may
14 have said something to the effect that you should gather
15 whatever facts are necessary to enable us to deal with the
16 inevitable inquiries that are going to come in. I would
17 likely have said something like that to him, or maybe I
18 didn't, because he's a senior person on my staff, but when
19 you're going to have to deal with something you want to know
20 what you're dealing with.

21 Q So you realized that having assigned Mr. Sloan
22 and Mr. Sloan being a senior person that he would attempt to

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1 make an independent fact inquiry to find out what the real
2 facts were having gotten some information from Ms. Hanson?

3 A Yes, that he would obtain whatever facts were
4 appropriate for us to receive in order to enable us to
5 respond to press inquiries.

6 Q And how did you intend him to find that
7 information?

8 A By talking to Mr. Lindsay who was knowledgeable
9 about Arkansas matters.

10 Q Did you intend that Mr. Sloan should contact Ms.
11 Hanson again from the Treasury who had been told was his
12 contact person?

13 A No, I didn't intend that. The source of
14 information was not to be, in my view, the Treasury. It was
15 to be our own people to we can respond intelligently. What
16 Treasury we deduced from what Treasury had told us is that
17 the Clinton's were not targets or objects of this
18 investigation. I mean I was fearful at the time that, as
19 usual with leaks, there would be misinformation, which was
20 the case, and the Clinton's would be branded in some
21 fashion, you know, as being under investigation or targets
22 of this investigation.

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1 What Treasury told us was sufficient, from my
2 point of view, to respond to the press that that's not
3 accurate. Otherwise, if Treasury hadn't told us that, we
4 would be blind sided if somebody came to us and we would say
5 we know nothing about it or something like that, and then
6 this misinformation spreads and stories spread. We now had
7 sufficient information from Treasury via Ms. Hanson for us
8 to be able, in case the leak came in the form of isn't the
9 President being investigated for receiving, you know,
10 illegal contributions, to say no, it's not our
11 understanding.

12 Now press inquiries will go boarder than that in
13 asking about checks or possibly improper contributions. So
14 I expected Cliff to gather additional facts, but those facts
15 are gathered from internally in the White House, Lindsay,
16 and Lindsay knows people who he can get information from.

17 Q Did you think it was important to determine on
18 September 29th when you were talking to Mr. Sloan what the
19 actual referrals said in them as opposed to what Ms. Hanson
20 had told you?

21 A No.

22 Q Was there a reason you didn't believe that it was

1 important that you have that information?

2 A All Ms. Hanson was giving us and all I wanted was
3 the minimum amount of information to be able to respond to
4 press inquiries, and especially press inquiries which could
5 be misinformed. We did not ask for the substance of the
6 criminal referrals because we wouldn't do that. It's not
7 our practice, you know, to probe into investigatory matters.
8 It wasn't that necessary to know those facts for us to be
9 able to respond to press inquiries, and I didn't ask Mr.
10 Sloan to do it, and I did ask anybody to do that, and I
11 didn't do it myself.

12 Q Did you make a determination on September 29th as
13 you were talking to Mr. Sloan that it would be inappropriate
14 for you to probe into those referrals?

15 A We don't probe into criminal referrals. I didn't
16 make any determination on that. We just don't probe into
17 criminal referrals. We didn't ask for information. We were
18 given information to enable us to respond to a press
19 inquiry, and any other facts we needed we don't ask Treasury
20 for the details of the RTC investigation or ask anybody in
21 the RTC for the details of their investigations. We never
22 did that.

1 I'm very sensitive to these subjects. The only
2 information that we should receive should be received for
3 proper official public purposes, and I wrote all those memos
4 to try to make sure that people don't either wilfully or
5 inadvertently start seeking to influence or direct the
6 outcome of criminal investigations. That's why those memos
7 were written, and that's why I wanted to centralize contacts
8 with these subjects in the Counsel's Office. There were not
9 flat prohibitions in the memos. The memos basically
10 contemplated, as I viewed them, coming to the Counsel's
11 Office.

12 We had the information that we needed to respond
13 to press inquiries and we did not need any additional
14 information from Treasury at that point or the RTC.

15 Q After Ms. Hanson had given you this information,
16 did you understand that you had confidential Treasury
17 Department information?

18 A Well I understood I had some information which
19 was about to be made public, or which probably would be made
20 public shortly. At that moment it may have been non-public,
21 but we get non-public information all the time in the White
22 House. The issue to me always was are we getting non-

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1 public information from any government agency for a proper
2 public purpose, official purpose.

3 When she told me this, whether the information
4 was public or not public, I was being given it for a public
5 purpose, namely, how to respond in an accurate, prompt,
6 efficient fashion to a press inquiry. I didn't really
7 believe the information was that non-public because whatever
8 information she gave me I thought the press either knew or
9 was about to find out immediately the way life works in our
10 society now. So I didn't particularly think I was getting
11 something secret.

12 I got a lot of secret information when I was
13 Counsel to the President, and I didn't consider this
14 terribly secret. I considered the press would know about
15 this, if it didn't already know about it, and would know
16 more than me in a short period of time. So I didn't
17 consider I was dealing with sensitive, non-public
18 information. Now it may have been non-public at that point,
19 but the fact is we were receiving it for a proper purpose
20 and it would be used for a proper purpose.

21 Q At least one unique aspect to this piece of
22 information that you received was no matter in what way you

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1 received it, and you've just described it as receiving it
2 for a proper public purpose, it contained information that
3 dealt with Bill Clinton the man as opposed to Bill Clinton
4 the President of the United States. Would you agree with
5 that?

6 A But the press inquiries would come about because
7 Bill Clinton was President of the United States.

8 Q I agree with what you're saying. Do you
9 understand my question?

10 A Did the information deal with Bill Clinton the
11 man? Yes, it deals with Bill Clinton the man, but there are
12 going to be press inquiries to Bill Clinton the President of
13 the United States with respect to this subject. They come
14 to the White House those inquiries. They don't come to Bill
15 Clinton the individual. They come to the White House, and
16 the White House has to be able to respond to those
17 inquiries. That's why the information, the limited
18 information was being given to us, and that's what it was
19 going to be used for, to respond to those press inquiries.

20 Q And the person that you turned to was Mr. Sloan,
21 and then after Mr. Sloan to Mr. Lindsay?

22 A Yes.

1 Q And you've told us already why you turned to Mr.
2 Lindsay. Were you aware at that time of Mr. Lindsay's
3 personal relationship with the President of the United
4 States?

5 A Oh, yes.

6 Q Had he been a long-time friend of the President
7 of the United States?

8 A Absolutely.

9 Q I believe you said he was the person most
10 knowledgeable about Arkansas matters and, as far as you
11 know, he had been a friend of the President when the
12 President was Governor and perhaps even before that?

13 A Yes.

14 Q I believe you said you talked to Mr. Lindsay as
15 well as Mr. Sloan. Do you recall when you talked to Mr.
16 Lindsay?

17 A No, I don't. It could have been that same day.
18 I dealt with Mr. Lindsay a great deal. I saw virtually
19 every day, and it could have been that same day or it could
20 have been the next day or shortly thereafter. Mr. Lindsay
21 is Head of White House Personnel, I'm White House Counsel,
22 and there is a lot of interaction between our two offices.

1 Q Would it be accurate to say that you saw him
2 regularly on a daily basis?

3 A Lindsay?

4 Q Lindsay.

5 A Yes.

6 Q Did he attend, I've forgotten what you call them,
7 the senior staff meetings or the morning meetings?

8 A Yes.

9 Q Was the subject of what Ms. Hanson had explained
10 on September 29th a subject that came up at the next daily
11 staff meeting?

12 A Of the senior staff?

13 Q Of the senior staff.

14 A No. I doubt it. I mean that's not the kind of
15 thing, and I say no categorically, and I shouldn't say
16 anything categorically I guess, but I doubt it. That's not
17 the kind of thing we would discuss at the senior staff
18 meetings.

19 Q Was there a reason that isn't the kind of thing
20 that would be discussed at the senior staff meetings?

21 A We discussed legislative affairs and, you know,
22 what's being said in the press about various issues. We

1 don't discuss this kind of thing at the senior staff
2 meetings. Obviously when the Whitewater stories came out
3 later they were discussed at some senior staff meetings, you
4 know, how the White House should respond to those things,
5 but this was not discussed.

6 This was a relatively minor, in my view at the
7 time, matter. It was a brief conversation. We were going
8 to get press inquiries, there was always potential
9 embarrassment with respect to that, and we have to be able
10 to respond, but it wasn't a major matter.

11 Q Was there a difference between senior staff
12 meetings and counsel meetings?

13 A Oh, yes. I attended each morning at about 8
14 o'clock the senior staff meetings. This is senior people in
15 the White House, the Chief of Staff, myself, the National
16 Security Adviser, the Head of the National Economics
17 Council, Bob Rubin, Bruce Lindsay, Head of Personnel, the
18 Deputy Chiefs of Staff, the Head of Scheduling. We met each
19 morning at 8 o'clock, and the meeting lasted about a half
20 hour or so or 40 minutes. We discussed the President's day
21 that day, what he's going to do that day, that week, that
22 month, you know, what was big and what was happening. Those

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1 are the kind of things we discussed in the senior staff
2 meetings. We didn't discuss things like this normally.
3 Whitewater at some point was discussed, as I said, when it
4 became a big issue.

5 Then I had my own staff meeting at 9 o'clock. I
6 went from the senior staff meeting, which ended at we'll say
7 8:30 or a quarter to nine, to my own staff meeting at 9
8 o'clock.

9 Q Was this subject discussed at your own staff
10 meeting, at the 9 o'clock meeting?

11 A I don't believe so, no.

12 Q Do you recall now meeting with Mr. Lindsay and
13 discussing with him the information that you had received
14 from Ms. Hanson?

15 A No, I don't remember that. I remember speaking
16 to Lindsay about it. I don't remember the substance of the
17 conversation. I believe all I ended up saying to Lindsay is
18 just repeating what I heard from Ms. Hanson, saying Cliff is
19 working on it and Cliff will be working with you. I have a
20 much more vivid memory of the conversation with Ms. Hanson.
21 I don't have a memory of the conversation with Lindsay, but
22 I think it was along the lines that I just described to you,

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1 namely, merely repeating what Ms. Hanson said to me and
 2 saying, look, Cliff is working with her and Cliff will be
 3 working with you. Cliff had probably already talked to him
 4 I think, or he may have. I don't know.

5 Q What response to you recall Mr. Lindsay making to
 6 you about the information that you had given him?

7 A I don't recall. We'll just have to deal with it.
 8 and when the press comes, you know, we'll gather whatever we
 9 need to gather and we'll have to respond.

10 Q Did you request that Mr. Lindsay make a fact
 11 determination about the subject matter that Ms. Hanson had
 12 told you about?

13 A No, I didn't make such a request. Lindsay is a
 14 able, intelligent, you know, savvy guy. He can do the
 15 responding and he'll do whatever he thinks is proper and
 16 appropriate to respond.

17 Q When you talked to Mr. Lindsay did he appear to
 18 know what you were talking about?

19 A I cannot separate out conversations. At some
 20 point Lindsay was aware or expressed his knowledge about
 21 questions that had arisen with respect to four checks, and I
 22 don't know when in the process this happened. I don't

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1 remember the exact time frame, but he was knowledgeable
 2 about four checks that had gone to the Clinton campaign from
 3 a fundraiser run by Madison, and we believed these to be
 4 proper contributions. I remember saying that facially these
 5 checks were proper contributions.

6 So at some point he acquired, and I don't know
 7 when he acquired it or even how he acquired it, but he
 8 acquired some knowledge or some information I should say
 9 with respect to the four checks, which were contributed or
 10 which were sent to a Clinton gubernatorial campaign in the
 11 mid-80s, and he said to me that for all the Clinton campaign
 12 knew these were totally proper contributions and he had no
 13 information to the contrary. That's what he believed then,
 14 that's what I believed then, and that's what I believe now,
 15 or at least I have no other information.

16 Q At or around the time that you had this
 17 conversation first with Ms. Hanson and the with Cliff Sloan
 18 on September 29th did you consider any of the ethical
 19 implications of receiving this information?

20 A Did I consider the ethical implications?

21 Q Yes, at the time you were having the
 22 conversations.

1 A No, because I believed it was totally and
2 completely ethical at the time, as I believe it to be
3 totally and completely ethical today. I mean to me it was a
4 simple thing. We were receiving information which we needed
5 to help us perform our official function of responding to
6 these press inquiries, and there was a minimal amount of
7 information sufficient to enable us to respond and I didn't
8 think there was any ethical problem.

9 I later learned that Cliff Sloan, and he told me
10 this months later I think, that Cliff Sloan did after the
11 conversation with Hanson at some point speak to the Neil
12 Eggleston, and he told me this weeks or months later, I
13 don't remember when, he said he and Neil, who were two good,
14 experienced people who I had a lot of confidence in, they
15 discussed among themselves is there anything wrong,
16 unethical, or wrong in any way about receiving this kind of
17 information, and they apparently did some, or one or both of
18 them did some research with respect to this area.

19 I'm not saying they did intensive research, but
20 some research with respect to this area, and they both
21 reached a conclusion that they saw no reason why we could
22 not proceed in the fashion we were proceeding. So this

1 issue occurred to them, which I'm in retrospect pleased
2 about because it showed their thinking, fine. I mean I
3 didn't see the issue. They say an issue, and they looked at
4 it, they said there doesn't appear to be anything wrong, and
5 we proceeded on that track. They didn't come back and tell
6 me about it. Sometimes they would if they saw something,
7 but they didn't feel the necessity to come back and tell me
8 about this.

9 Q With respect to your conversation with Mr.
10 Lindsay, were you talking to him so that he would be able to
11 respond to the press most knowledgeably about the
12 information that Ms. Hanson had given you?

13 A Yes. Either he would be able to respond to the
14 press more knowledgeably or he would assist the White House.
15 He was the one. Even if Dee Dee Myers was the one to
16 respond ultimately or Mark Gearan or some other person from
17 Communications, the way our White House operated Lindsay
18 would be one who they would go to. You know, they were
19 speaking. On the other hand, at this period of time in my
20 mind Lindsay was more likely to speak to the press than they
21 were on this kind of issue. They would refer the press to
22 Lindsay and Lindsay would end up speaking to them.

1 Q Up until this time, which was late September of
2 1993, had Mr. Lindsay shared with you his opinion on how the
3 press should be dealt with about subjects like this?

4 A There were a lot of conversations in the White
5 House and I can't separate them out on how to deal with the
6 press.

7 Q Well let me just tell you, the answer to that
8 question would be yes or no whether he shared or didn't
9 share.

10 MR. PEDOWITZ: You said "like this."

11 MR. CODINHA: I can make a more pointed question
12 which may assist the witness.

13 BY MR. CODINHA:

14 Q Had Mr. Lindsay shared with you his opinion that
15 on a subject like this, like questions about Whitewater and
16 what happened in the campaign, his response to the press
17 would be no comment?

18 A No. There may have been periods of time when the
19 White House took a no comment position, but very few periods
20 of time. We rapidly learned that that was impossible for
21 the White House to say no comment to virtually any issue,
22 and I think we all realized, and Mr. Lindsay especially,

1 that we're going to have to comment and respond in some
2 appropriate fashion, and I believe that was Mr. Lindsay's
3 position at this time as to how to respond to the press.

4 Q When you went to Mr. Lindsay did you know whether
5 or not he was an attorney?

6 A Oh, yes, I knew whether or not he was an
7 attorney, and I knew he was an attorney.

8 Q You knew he was an attorney?

9 A Yes.

10 Q When you imparted this information to Mr.
11 Lindsay, did you tell Mr. Lindsay whether or not he could
12 tell the President of the United States about the
13 information that he had received from you?

14 A We didn't discuss whether or not he could tell
15 the President of the United States.

16 Q Did you tell him that the information that he
17 received had to be kept confidential in any way?

18 A No, I did not tell him that.

19 Q Was there a reason you didn't tell him that?

20 A Confidential from the President, to keep it from
21 the President? I believed that if he wished to tell the
22 President or if I wished to tell the President, it would be

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1 totally appropriate to tell the President with respect to
 2 this thing. I didn't believe it was inappropriate to tell
 3 the President. I didn't tell the President because I didn't
 4 believe it was necessary. I didn't think it was a big
 5 matter, but I didn't tell Mr. Lindsay that he couldn't tell
 6 the President because I believe it would be appropriate to
 7 tell the President if one of us wanted to tell the President.

8 Q Would it have made a difference, in your opinion,
 9 if you had been told by Ms. Hanson that the President had
 10 been named as a target in a pending criminal indictment that
 11 wasn't public as to whether you could tell the President or
 12 not?

13 MR. PEDOWITZ: We understand we're addressing a
 14 hypothetical.

15 MR. CODINHA: Yes, that's a hypothetical.

16 THE WITNESS: That's a hypothetical question.
 17 No, I think it would be appropriate to tell the President.
 18 If I was told that he was a target of an investigation, a
 19 personal target of an investigation, I think it's
 20 appropriate to tell the President that he was a target of an
 21 investigation and that he should get obviously outside
 22 counsel to represent him with respect to that investigation.

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1 People are told all the time in this world that
 2 they are targets of investigations, and if the President is
 3 the target of an investigation, then I think it's
 4 appropriate for the White House to be hold that, for the
 5 President to be told that and the President get an outside
 6 lawyer to represent him with respect to that investigation.

7 MR. PEDOWITZ: The question assumed that there
 8 was no direction to keep the information from the President
 9 of the United States from the person that was conveying it
 10 to the White House.

11 MR. CODINHA: In the hypothetical, yes, that
 12 there was no information to keep it from the President.

13 THE WITNESS: That's right, and I assumed that
 14 when you said it.

15 BY MR. CODINHA:

16 Q With respect to the work that Mr. Eggleston and
 17 Mr. Sloan did independently on the ethical concerns that
 18 they had, when did you become aware of that?

19 A I think I became aware of that months later. I
 20 think I became aware of it when it became an issue in the
 21 press about the White House, Treasury and RTC contacts. I
 22 think I became aware of that in February, very late February

1 or early March of 1994.

2 Q Do you know whether Mr. Sloan or Mr. Eggleston
3 went to Ms. Nolan about that issue?

4 A I don't remember in thinking back when Mr. Sloan
5 told me that he had done it. I remember him saying he
6 consulted with Mr. Eggleston, but I don't remember his
7 saying Ms. Nolan. It's quite logical that they would go to
8 somebody like Ms. Nolan who everybody had great respect for
9 in this area.

10 MR. PEDOWITZ: But you don't know if they did.

11 THE WITNESS: But I do not know if they did.

12 BY MR. CODINHA:

13 Q You indicate that at sometime after the first
14 conversation about this matter with Ms. Hanson on September
15 29th that you found out from Mr. Sloan that Ms. Hanson had
16 contacted him again, or he had contacted Ms. Hanson and had
17 determined that a piece of information she had given you
18 about materials you had received from Mr. Altman was
19 inaccurate; is that correct?

20 A That's correct.

21 Q When in time did that occur after the 29th
22 meeting?

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1 A I believe it was in a few days. I don't remember
2 precisely, but I believe within a week or so. This is my
3 best estimate. You can go to Sloan and get his best
4 estimate.

5 Q When Mr. Sloan gave you that information what
6 were the circumstances under which he gave you the
7 information?

8 A I don't recall the circumstances. He walked into
9 my office and he told it to me.

10 Q What did Mr. Sloan say to you and what did you
11 say to him about the information?

12 MR. PEDOWITZ: Can we go off the record for a
13 moment?

14 MR. CODINHA: Off the record.

15 (Brief recess taken to order lunch.)

16 MR. CODINHA: Back on the record.

17 (The pending question was read by the reporter.)

18 THE WITNESS: In substance I recall Mr. Sloan
19 coming in to me at some point and saying Jean says she's
20 wrong when she said that Roger had sent you some material
21 with respect to this matter and that apparently she was
22 referring to a fax that you received, and I said I don't

1 know about any fax that I received from Roger Altman.

2 Then at some point, and I don't know if Sloan was
3 even there, at some point I went looking, or asked somebody
4 to look at the file, and they went to the file and they came
5 up with this fax that you showed me at this deposition, a
6 fax that I didn't remember receiving.

7 BY MR. CODINHA:

8 Q What file did they go to to find that fax?

9 A I don't know.

10 Q Do you believe it was a file on Madison or on
11 Whitewater?

12 A No. I don't know. I just don't know. It was, I
13 don't know, I think maybe just sitting in a folder, you
14 know, of faxes or Treasury or RTC. We probably just took a
15 word from the fax and put it on. I never remember getting
16 the fax and I never remember filing it. I don't know. I
17 don't remember seeing the file.

18 Q When you looked at the fax did it mean anything
19 to you?

20 A No. I looked, but when I saw Kay, Scholer story,
21 that meant more to me than the other story.

22 Q Did you read it more closely having received this

1 information about the criminal referrals, the fax?

2 A No. I remember reading the fax and not focusing
3 on it particularly saying I never remember getting this and
4 giving it back to put in the file.

5 Q Between September 29th and October 14th did you
6 have any further dealings or contacts with the Treasury
7 Department with respect to Whitewater or Madison?

8 A No, not to the best of my memory.

9 Q Besides what you've told us, that Mr. Sloan had
10 contacted Ms. Hanson and Ms. Hanson had contacted Mr. Sloan
11 about what information Mr. Altman had sent to you, did Mr.
12 Sloan tell you anything else Ms. Hanson may have said to him
13 relative to Whitewater or Madison?

14 A I don't have any recollection that he did. I
15 believe that Mr. Sloan -- well it's likely Mr. Sloan during
16 this period would come back to me and talk to me from time
17 to time, but I have no memory of it. I have no memory of
18 conversations with Mr. Sloan between September 29th and
19 October 14th. I must tell you it's likely that he would
20 come to me and talk to me from time to time, but I just
21 don't recall. You can ask him.

22 Q Do you recall any press inquiries that you became

1 aware of between September 29th and October 14th with
2 respect to Whitewater or Madison?

3 MR. PEDOWITZ: You keep using the terms
4 Whitewater or Madison.

5 MR. CODINHA: I use them only because they're
6 used in Senate Resolution 229.

7 MR. PEDOWITZ: I do understand, but you
8 understand that these contacts that Mr. Nussbaum is
9 discussing in this period of time relate to Madison. I've
10 never heard anything that suggests that they relate to
11 Whitewater, and maybe you ought to make that clear on the
12 record.

13 MR. CODINHA: All right. I use it only to refer
14 because that's the use in Senate Resolution 229, and I
15 believe the witness has already said that.

16 BY MR. CODINHA:

17 Q Let's just clarify. When was the first time you
18 heard about Whitewater in 1993?

19 A Sometime in December when there was a story, I
20 believe and I can't be totally accurate, when there was a
21 story about a missing Whitewater file being taken out of
22 Foster's office. That's when Whitewater started coming onto

1 the screen. Up to then, prior to then I don't remember any
2 discussions about Whitewater. I remember the discussion
3 only about Madison and contributions to the Clinton
4 campaign, gubernatorial campaign in the mid-80s.

5 Q Did you become aware between September 29th and
6 October 14th of communications between the White House and
7 the RTC or Treasury or between Treasury and the RTC and the
8 White House relating to telephone calls from Mr. Katsanos to
9 Ms. Caputo?

10 MR. PEDOWITZ: Do you understand that question?

11 MR. CODINHA: I can reframe it if you want.

12 MR. PEDOWITZ: Please.

13 MR. CODINHA: Let me withdraw the question.

14 BY MR. CODINHA:

15 Q Did you become aware between September 29th and
16 October 14th of any other communications that were occurring
17 between the Treasury Department and the White House or the
18 White House and the Treasury Department with respect to
19 Madison, and I'll add Whitewater even though you've told us
20 not until late 1993?

21 A No.

22 Q Up until October 14th were you aware of any press

1 accounts that dealt with the information Ms. Hanson had told
2 you at the September 29th meeting?

3 A Press accounts or press inquiries?

4 Q Press accounts first.

5 A No.

6 Q Were you aware of any press inquiries up to
7 October 14th dealing with the information Ms. Hanson had
8 given you at the September 29th meeting?

9 MR. PEDOWITZ: That would include the 13th.

10 THE WITNESS: I have no memory. It may be that
11 Cliff Sloan came and talked to me about press inquiries, but
12 I have no memory of that. So the answer to your question is
13 no, I have no memory until October 13th.

14 BY MR. CODINHA:

15 Q On October 13th what happened to bring either
16 Madison or Whitewater to your attention, and Madison appears
17 to be the one that you remember.

18 A On October 13th Mark Gearan, the Director of
19 Communications, called me and said that he had received a
20 call, he Gearan had received a call from Jack DeVore, who is
21 the Assistant Secretary of the Treasury for Public Affairs,
22 saying that there had been press inquiries with respect to a

1 referral involving contributions to a Clinton gubernatorial
2 campaign and that DeVore wanted to come in to describe the
3 press inquires to us and to tell us what the press was
4 inquiring about or what the press was saying and how they
5 were going to respond to the press so that we would be able
6 to respond to the press when the press inevitably came to
7 the White House with respect to these matters.

8 He asked me whether or not we could have that
9 meeting, the meeting with DeVore, in my office, and I said
10 yes, we could have that meeting in my office. This was in
11 accordance with my policy, the policy in effect in the White
12 House to make sure there were no communications with respect
13 to investigations other than through the Counsel's Office to
14 assure that the conversations were correct and proper. So I
15 said, yes, we could have the meeting in my office, and we
16 set up a meeting in my office for the following day, October
17 14th sometime in the afternoon.

18 I then informed, or had Mr. Sloan and Mr.
19 Eggleston informed of that meeting that was going to take
20 place on October 14th, and I also had my office inform Mr.
21 Lindsay of that meeting on October 14th to see if he could
22 attend that meeting because he, as I said, was the most

1 knowledgeable with respect to these matters and the most
2 likely to assist in responding to the press.

3 Q What role did Mr. Gearan have in the White House
4 on October 13th?

5 A He was the Director of Communications.

6 Q When Mr. Gearan talked to you on October 13th had
7 you ever advised Mr. Gearan about the information Ms. Hanson
8 had given you?

9 A I believe not.

10 Q Did Mr. Gearan appear to know what this meeting
11 that Jack DeVore requested was going to be about?

12 A I think so. Yes, I think so.

13 Q Do you know what Mr. Gearan's source of
14 information was?

15 A I don't know what his source of information was.
16 It could have been ---

17 (Witness and his counsel confer.)

18 All right, I won't speculate. I don't know.

19 Q Did you say he was Director of Communications in
20 the White House?

21 A Yes.

22 MR. CHERTOFF: We had better stop.

1 MR. CODINHA: Let's go off the record.

2 (Recess taken from 12:24 to 12:31 p.m. for Chief
3 Counsel Codinha to take a telephone call.)

4 BY MR. CODINHA:

5 Q As Director of Communications in the White House
6 would it have been important for Mr. Gearan to have received
7 the information that you had received on September 29th so
8 he could respond to press inquiries?

9 A Yes.

10 Q Was there a reason why you had not briefed him on
11 that information?

12 A The reason was I had conveyed the information to
13 Lindsay who was in the communications process, and I just
14 didn't think of giving it to anybody else.

15 Q I asked you a question earlier, and because of
16 the inartful way in which I framed it I might have withdrawn
17 it. So let me ask the question again.

18 Between September 29th and October 14th are you
19 aware of any other communications between the White House
20 and the RTC or Treasury or between the Treasury and the RTC
21 and White House relating to Madison than what you have
22 already testified to?

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1 A I am aware in retrospect of Cliff Sloan being in
2 touch with Jean Hanson during that period. I had made him
3 the contact point and put him in touch with Jean. I'm aware
4 in retrospect that they were in touch. I have no memory at
5 the time of knowing the conversations they were having, and
6 my next memory is of the October 13th call which triggered
7 the October 14th meeting.

8 Q When you say you know in retrospect, do you mean
9 you've learned in retrospect from some other person or
10 source?

11 A Yes. At some point when this issue came to the
12 fore in the press Cliff mentioned to me that he had been in
13 touch with Jean Hanson during this period after the
14 September 29th meeting.

15 Q Did Mr. Sloan tell you how many times he had been
16 in contact with Ms. Hanson?

17 A No, just a number of times.

18 Q When, to your memory, did this come to the fore
19 in the press that you would have had this conversation with
20 Mr. Sloan?

21 A I think it was after the press started writing
22 about this, which is after February 24th, 1994.

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1 Q Did you attempt to determine the subject matter
2 of each of the contacts Mr. Sloan had had with Ms. Hanson?

3 A No. He told me they were contacts again to
4 enable the White House to respond to press inquiries.
5 That's all I remember him telling me.

6 Q What further information did Mr. Sloan tell you
7 that he needed other than what had already been given to you
8 and to him on September 29th and what Mr. Lindsay had told
9 him?

10 A All I remember Mr. Sloan telling me, and this is
11 the period after February 24th, is that Ms. Hanson had been
12 in touch with him, not with respect to any further
13 information about the referrals, but with respect to the
14 fact that there had been some sort of press inquiries. I
15 didn't remember that from my own memory, but he apparently
16 been told there had been some press inquiries shortly after
17 the September 29th conversation and he had Ms. Hanson had
18 been in touch with respect to those press inquiries.

19 Q Did Mr. Sloan ever show you any notes that he had
20 written about these conversations?

21 A No.

22 Q Between September 29th and October 14th did you

1 have any conversations with the President of the United
2 States about the information that you had received from Ms.
3 Hanson?

4 A No.

5 Q When Mr. Gearan contacted you on October 13th and
6 you made the recommendations to bring Mr. Sloan and Mr.
7 Eggleston and Mr. Lindsay into the October 14th meeting, how
8 did you determine to bring in Mr. Eggleston?

9 A Because he was knowledgeable about litigation
10 type matters such as this. He was starting at this point to
11 replace Mr. Sloan with respect to these kind of issues, and
12 Mr. Sloan was going over to work more on strictly legal kind
13 of things. But it's a law firm, it's like my own little law
14 firm, you know, where everybody sort of does everything.
15 Eggleston had just come on board and I was relying more and
16 more on Eggleston.

17 Q Was Mr. Gearan to attend that meeting also?

18 A Yes.

19 Q Who did you understand was going to be there from
20 Treasury?

21 MR. PEDOWITZ: This is on the 13th or on the
22 14th?

1 BY MR. CODINHA:

2 Q On the 13th who did you understand was going to
3 be there?

4 A DeVore. I don't remember knowing anybody else
5 was going to be there.

6 Q Did the meeting take place on the 14th?

7 A Yes.

8 Q When did it take place?

9 A In the afternoon sometime.

10 Q Who was present?

11 A DeVore, Jean Hanson, Josh Steiner, Lindsay,
12 myself, Sloan and Eggleston.

13 MR. PEDOWITZ: Gearan?

14 THE WITNESS: And Gearan who came in late, but he
15 came in.

16 BY MR. CODINHA:

17 Q Was there an agenda for the meeting?

18 A A written agenda?

19 Q Yes.

20 A No.

21 Q Were there talking points prepared for the
22 meeting?

1 A Not that I know of.

2 Q Did you see anyone reading from what appeared to
3 be talking points?

4 A I don't recall that.

5 Q At that point did you know everybody who was
6 there from Treasury?

7 A Yes.

8 Q And what role did you understand Jean Hanson was
9 playing at that meeting?

10 A Well it's a meeting in the Counsel's Office, in
11 my office, and normally when lawyers are present I think she
12 ---

13 MR. PEDOWITZ: What do you know?

14 THE WITNESS: Well I knew it involved press
15 inquiries with respect to these referrals, and she was the
16 one who mentioned the referrals to me on September 29th, and
17 it did not seem unusual that she would be at this meeting.
18 Also she's a smart, intelligent, high ethical principled
19 person, and I think with respect to somewhat sensitive
20 issues it's good to have Treasury's lawyer there at the same
21 time.

22

1 BY MR. CODINHA:

2 Q What did you consider to be the sensitive issues,
3 or the somewhat sensitive issues?

4 A That we are talking about a criminal referral is
5 a sensitive issue, or talking about press inquiries with
6 respect to a criminal referral is a sensitive issue.

7 Q Mr. Steiner was Chief of Staff to Secretary
8 Bentsen. What did you understand his role to be there?

9 A I think he was Chief of Staff at that point to
10 Roger Altman.

11 Q I'm sorry, I thought you had described him as
12 Chief of Staff.

13 A I think he was Chief of Staff to Roger Altman at
14 that time.

15 Q I think he has described himself as holding the
16 role of Assistant to the Deputy Secretary, who would have
17 been Roger Altman, and then he became Chief of Staff to
18 Secretary Bentsen. I just don't recall the dates when that
19 happened, but do you know what position he held at that
20 time?

21 A My best memory is he was Chief of Staff to Roger
22 Altman, but I'm not positive.

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1 Q What was he doing at the meeting, if you knew?

2 A I didn't know. He came to the meeting.

3 Q Did you view him at that meeting as being Roger
4 Altman's alter ego at the meeting?

5 A No.

6 Q Did you view him as a person who was going to be
7 reporting to Roger Altman what took place at the meeting?

8 A No.

9 Q What function did you think he was playing at the
10 meeting?

11 A He was at the Waco meeting previously and people
12 like to come to meetings at the White House I guess.

13 Q I may be misunderstanding. Was there a Waco
14 meeting previous to ---

15 A He had been at the Waco meeting previously.

16 Q The September 29th meeting?

17 A Yes.

18 Q Was there also a Waco meeting on October 13th?

19 A No, there was no Waco meeting on October 13th.

20 Q Is there any other connection between the two
21 that ---

22 A Obviously when Treasury had information to convey

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1 to the White House he attended one meeting and so he was
2 attending this other meeting. I didn't understand any
3 particular role that he had. I didn't make any
4 determination he was coming or he was not coming. I didn't
5 know whether he was coming or not coming. He came and he
6 sat there.

7 Q Just for clarification purposes for the record,
8 do you recall that he was not at the original meeting where
9 Hanson told you, the September 29th when Mr. Steiner had
10 already left that meeting before Ms. Hanson told you about
11 the circumstances of the criminal referrals?

12 A Correct.

13 Q Now at this meeting who said what to whom at the
14 meeting, the October 13th meeting.

15 MR. PEDOWITZ: The 14th.

16 MR. CODINHA: I have 13th. Thank you. The 14th.

17 THE WITNESS: I recall Mr. DeVore saying that he
18 was going to tell us at this meeting about a press inquiry
19 that he had received from Jeff Gerth of the New York Times.
20 He was going to tell us what Mr. Gerth had said to him and
21 what he intended to say to Mr. Gerth so that we in the White
22 House could be in a position to know what they said when

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1 inevitably an inquiry would be made of us with respect to
2 this same matter.

3 I remember him then saying that Mr. Gerth had
4 called him and told him that he was aware of certain
5 criminal referrals that had been made by the RTC to the
6 Justice Department for investigation and that he was asking
7 about the routing, r-o-u-t-i-n-g, of those referrals. He
8 was asking about the fact as to why they were routed from
9 the field office to Washington before being sent on to
10 Little Rock. He was also asking about the endorsements on
11 the back of certain checks which were mentioned or were a
12 part of one of the referrals.

13 I remember Mr. DeVore saying that he was going to
14 tell Mr. Gerth, he was insistent on this, he was going to
15 tell Mr. Gerth that Mr. Gerth should be aware that the
16 referral had been sent to Little Rock before Mr. Gerth ever
17 called. He was concerned that Mr. Gerth would write a
18 story, which would have been incorrect, that the referrals
19 ended up in Little Rock only after the New York Times
20 inquired as to why they were in Washington. So he wanted to
21 make very clear to Mr. Gerth that Mr. Gerth should know that
22 the referral went to Little Rock before Mr. Gerth ever

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1 called Mr. DeVore.

2 I remember some discussion about -- when Mr.
3 Gerth talked about confirming that the referral has gone to
4 Little Rock before Mr. Gerth called there was some
5 discussion and one or more people raised whether it's normal
6 or not normal to confirm the existence of criminal
7 referrals, and I remember Mr. DeVore saying, or at this is
8 my memory, that in certain circumstances it's not abnormal
9 to confirm the existence of a criminal referral, that
10 although it may not be typically done, but it's not abnormal
11 to do it. That squared with my experience in the private
12 world and in the public world, but issues were raised as to
13 whether or not it was normal or not normal and what the
14 proper procedures were.

15 MR. CHERTOFF: Bill, whenever it's convenient for
16 you.

17 MR. CODINHA: Why don't we finish this meeting.

18 THE WITNESS: And I mentioned earlier that he was
19 asking questions about the endorsements, that Gerth was
20 asking questions about the endorsements on the backs of
21 certain checks which went from Madison Guaranty to a Clinton
22 gubernatorial campaign. And that's all I remember about

1 that meeting.

2 BY MR. CODINHA:

3 Q Do you recall anyone else speaking at the meeting
4 besides Mr. DeVore?

5 A Yes. I recall others speaking and either Mr.
6 Lindsay or I asking about, I think it was Mr. Lindsay asking
7 whether it was normal, you know, to confirm the existence of
8 criminal referrals. I remember somebody on the White House
9 side saying that. I don't remember anything Mr. Gearan
10 said, I don't remember anything Mr. Eggleston said or Mr.
11 Sloan said, and I don't remember anything particularly I
12 said, other than, you know, maybe raising -- I don't
13 remember what I said actually, because all I remember
14 hearing is what, to the extent that I've already outlined to
15 you already, is what Gerth was saying to DeVore and what
16 DeVore was saying to Gerth. And, in my view, Lindsay was
17 the one paying attention to this because Lindsay and Gearan
18 would ultimately have to respond to the press with respect
19 to any inquiries that were received by us. I wasn't going
20 to be the one responding to the press.

21 Q I believe you said at a certain point Mr. DeVore
22 confirmed that the referrals had been made. Do you recall

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1 saying that today?

2 A Yes.

3 MR. PEDOWITZ: Could we go back to that question
4 because I'm not sure that's accurate.

5 (The last question and answer were read by the
6 reporter.)

7 BY MR. CODINHA:

8 Q What do you recall Mr. DeVore saying?

9 A The thing I remember most about this meeting was
10 Mr. DeVore saying I'm going to confirm that the referrals
11 had been sent to Little Rock, in other words, the referrals
12 had been made and sent to Little Rock before Gerth ever
13 called. So the referrals had been made.

14 Q I'm sorry, I misunderstood that. He said I am
15 going to confirm or that he had confirmed?

16 A You're talking about to Gerth?

17 Q No, no, at this meeting. In other words, was he
18 confirming to you at the meeting that the referrals, he
19 being DeVore, confirming that the referrals had been made?

20 A He was just describing what he was going to say
21 to Gerth, and he told us. This is what I remember. He told
22 us he was going to say to Gerth, Jeff Gerth of the New York

1 Times who had been asking about the routing of these
 2 referrals, that Gerth should know that the referrals, which
 3 had been routed to Washington had then gone from Washington
 4 to Little Rock before Gerth ever called DeVore, and DeVore
 5 was going to tell that to Gerth because DeVore was concerned
 6 he said that Gerth would write a wrong story that referrals
 7 were made and held up in Washington until the New York Times
 8 called and then they were sent on to Little Rock.

9 Q Did DeVore say that he had in fact ascertained
 10 that it was true that the referrals had been made and they
 11 had been made before Gerth ever called?

12 A He said that he was aware that the referrals had
 13 gone on to Little Rock before Gerth had ever called.

14 Q And did he say that the source of that
 15 information was the RTC?

16 A He didn't say. I don't remember what he said
 17 about that.

18 Q Was that the first time that the White House
 19 learned that the criminal referrals had actually gone from
 20 the RTC and had gone to Justice and had gone on to Little
 21 Rock?

22 MR. PEDOWITZ: Can we speak about what he knew as

1 opposed to what the White House knew.

2 MR. CODINHA: Yes.

3 BY MR. CODINHA:

4 Q Is that the first time you knew that?

5 A Yes.

6 Q Had you ever heard Mr. Sloan or anyone else in
 7 your office confirm that piece of information before Mr.
 8 DeVore told you on October 14th?

9 A No.

10 MR. PEDOWITZ: You don't recall?

11 THE WITNESS: I don't recall.

12 MR. PEDOWITZ: It's either no or you don't
 13 recall.

14 MR. CODINHA: Is the answer no or I don't recall?

15 THE WITNESS: The answer is no, I don't recall.

16 The answer is I don't recall.

17 BY MR. CODINHA:

18 Q Is that the sort of information that you would
 19 recall if you had heard it, that criminal referrals relating
 20 to Madison in which the President was named had been ---

21 A Named as a potential witness.

22 Q Had been named in any fashion.

1 A I knew that from September 29th. My recollection
 2 of the September 29th conversation is that Jean Hanson told
 3 me that referrals had been made or were about to be made.
 4 I'm not clear what she said to me. In my mind when I think
 5 back to the September 29th meeting she either told me that
 6 referrals had been made or were about to be made. So
 7 somebody telling me on October 14th that a referral had been
 8 routed to Little Rock was not great surprise. It was
 9 consistent with the information that I received from Jean
 10 Hanson on September 29th.

11 Q When the discussion came up about the routing of
 12 referrals from wherever they originated to Washington to
 13 Little Rock, did anyone inquire about why that routing
 14 procedure had been followed?

15 A I don't recall anybody inquiring. I just don't
 16 recall. I do recall, as I indicated, DeVore saying he
 17 didn't Gerth to get the idea that somehow they were, you
 18 know, locked in Washington until Gerth called. That I
 19 recall.

20 Q How long did this meeting last, if you can
 21 recall?

22 A About a half hour. It started funny. We were

1 waiting Gearan. The meeting itself didn't take that long,
 2 but we sat there that long because Gearan didn't show up for
 3 10 or 20 minutes, and we were sitting there just making idle
 4 chat until Gearan showed up, and then sort of the meeting
 5 got into high gear.

6 Q Was it viewed that Mr. Gearan was an essential
 7 participant in that meeting?

8 A He triggered the meeting. He got the call from
 9 DeVore, and he was the one who called me to ask me could we
 10 have the meeting in my office, and I said yes. So he was
 11 going to be a participant in the meeting. So we waited for
 12 him.

13 Q At the meeting was any information, any
 14 substantive information about what was contained in the
 15 referrals discussed?

16 A No.

17 Q Was there any discussion of individuals who were
 18 named in the referrals?

19 A Not to my recollection.

20 Q You've indicated that there was some information
 21 relative to four checks and endorsements.

22 A The only thing I remember is DeVore saying that

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1 Gerth was asking about the endorsements on a number of
2 checks. I'm not sure if he used the word "four." He may
3 have or he may not have. At this moment I don't remember.
4 That's all I remember about that.

5 Q Did Mr. DeVore confirm that he had found out that
6 that information that Mr. Gerth had was either accurate or
7 inaccurate?

8 A I don't remember what he said with respect to
9 that subject, if anything.

10 Q Was there a concern expressed by the White House
11 about this information being in the hands of the New York
12 Times before it had been heard from any official sources?

13 A Was there any concern expressed? I don't recall
14 any concern being expressed because I mean we were warned on
15 September 29th that there might be leaks, and sure enough
16 there were leaks, you know, and we would have to respond. I
17 mean this is just what we were warned might happen and it
18 happened.

19 Q In a matter like the one we're discussing of
20 Madison where there are criminal referrals in which the
21 President or the First Lady is named either as a witness,
22 which in this case it has been indicated they were, or as a

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1 subject or a target, how would you normally expect to find
2 out about that information? What would be the normal
3 process?

4 A If the President or the First Lady is named in a
5 criminal referral as a potential witness?

6 Q As a potential witness or in any other fashion in
7 a complaint.

8 MR. PEDOWITZ: I'm not sure there is much of a
9 foundation for that question as to whether or not it had
10 ever happened before.

11 MR. CODINHA: Well let me ask that question.

12 BY MR. CODINHA:

13 Q Were you familiar with it ever having happened
14 before?

15 A No, but to me if in fact there was a criminal
16 referral in which they were named as potential witnesses,
17 then it's a logical, normal, to me, normal procedure for the
18 agency because the President is at the pinnacle of our
19 government and he's going to get questions. So it's logical
20 for them to tell us about it so we can then be prepared to
21 respond in whatever fashion we think is appropriate. Because
22 there are press inquiries. This is a normal thing to do.

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1 mean it's unusual I admit, or may be unusual for a President
 2 to be named even as a potential witness in a criminal
 3 referral, but if that does happen, as it happened apparently
 4 in this case, and I've never looked at the referral or seen
 5 the referral nor would I want to, but if that happens then
 6 the normal thing to do is what Jean Hanson did, is to come
 7 and tell us about it, because undoubtedly it would leak, and
 8 to let us prepare to respond as we think appropriate to
 9 press inquiries.

10 Q I believe close to the beginning of this
 11 deposition I asked you about a September 1992 criminal
 12 referral, and I can't now recall whether you said you had
 13 ever know about that criminal referral.

14 A Obviously now in retrospect I've read about
 15 earlier criminal referrals which went to the U.S. Attorney
 16 in Little Rock. You know, I've read all sorts of newspaper
 17 stories about those kind of things. I don't recall knowing
 18 in September and October of 1993 when we're talking about
 19 earlier criminal referrals.

20 Q Well more importantly did you come to know
 21 between January 20th, 1993 and the time you later in
 22 retrospect found out about these things through newspaper

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1 readings about the earlier criminal referrals?

2 A No. I don't recall knowing between January 20th,
 3 1993 and October 14th, 1993 about the earlier criminal
 4 referrals.

5 Q So as far as you know, no one from the agencies
 6 was notifying, certainly no one from the agencies that were
 7 involved in those were notifying you?

8 A That's correct.

9 Q And as far as you know from the books and records
 10 and accumulated data that exists at the White House no had
 11 informed you predecessor about that?

12 A Boyden Gray?

13 Q Well there must have been someone who was Counsel
 14 to the President before ---

15 A President Bush.

16 Q Yes. I realize it's another President, but
 17 aren't there books and records that continue on?

18 A No. You come into an empty White House. When
 19 you come into the White House it's empty, no files,
 20 everything is out. You start all over again.

21
 22

1 MR. CODINHA: Let's go off the record.
 2 (Discussion off the record.)
 3 (The deposition of Mr. Bernard Nussbaum recessed
 4 at 1:00 p.m. in order for Senate Banking Committee Special
 5 Counsel to attend another meeting and resumed at 2:05 p.m.
 6 the same day.)
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1 AFTERNOON SESSION
 2 (2:05 p.m.)
 3 Whereupon,
 4 BERNARD W. NUSSBAUM
 5 having been previously duly sworn by the Notary Public was
 6 further examined and testified further as follows:
 7 MR. CODINHA: Mr. Nussbaum, as is my practice, I
 8 would ask you are there any changes or anything you would
 9 like to expand in your prior testimony from earlier this
 10 morning?
 11 THE WITNESS: No.
 12 EXAMINATION (Continuing)
 13 BY MR. CODINHA:
 14 Q I think we were discussing the October 14th
 15 meeting, and I had almost reached the end of it. I did want
 16 to ask at some point did the October 14th meeting conclude?
 17 A Yes.
 18 Q Were there any instructions given by you or by
 19 anyone else in your presence about what was to happen as a
 20 result of the meeting?
 21 A I don't know.
 22 Q Did you have any conversations with Mr. Sloan

1 about any follow-up he was to have?

2 A I don't recall any such conversations.

3 Q Was anyone tasked as a result of that meeting to
4 do anything in the White House as a result of the
5 information that had been derived at the October 14th
6 meeting?

7 A I didn't task anybody to do anything.

8 Q Were press statements prepared in order to
9 respond to the information that was divined from the October
10 14th meeting?

11 A I don't know.

12 Q From October 14th until December 31st of 1993 did
13 you personally have any other contacts with Treasury about
14 the subject matter of either Madison or Whitewater?

15 A Not that I recall.

16 Q Between October 14th and the last day of December
17 of 1993 are you aware of anybody else in the White House who
18 had any contacts with Treasury about the subject of
19 Whitewater or Madison?

20 A It is possible that Sloan was still in touch with
21 Hanson with respect to potential press inquiries, but I have
22 no recollection of that.

1 Q When you say it's possible, are you saying that
2 because you have any information which suggests to you that
3 was occurring?

4 A No, I have no such information.

5 Q Do you know of any contacts that were running the
6 other way that were from Treasury or from the RTC back to
7 the White House with respect to Madison or Whitewater?

8 A During that time frame, no.

9 Q During the time frame of October 14th through
10 December 31st.

11 A No.

12 Q Beginning in January did you become aware of any
13 other contacts that occurred between anyone at the White
14 House and anyone at Treasury about the subject matter of
15 Madison or Whitewater?

16 A No.

17 MR. PEDOWITZ: I'm sorry, beginning in?

18 MR. CODINHA: Beginning in January of 1994.

19 MR. PEDOWITZ: And running to when?

20 MR. CODINHA: And running through January did you
21 become aware of that.

22 THE WITNESS: Running through January?

1 MR. CODINHA: Yes.

2 THE WITNESS: No.

3 BY MR. CODINHA:

4 Q There has been press reportage recently about a
5 contact between the President of the United States and Mr.
6 Ludwig, who was then Comptroller of the Currency that
7 occurred on Renaissance Weekend, which we are led to believe
8 was an early weekend in January of 1994. Were you aware of
9 that contact at about the time it occurred?

10 A I became aware of that contact after it occurred.

11 Q Did you become aware of it through the press
12 reportage that has recently occurred?

13 A No.

14 Q Did you become aware of it at or about the time
15 it occurred?

16 A Yes.

17 Q How did you become aware of it?

18 A Mr. Klein, Joel Klein, and my memory is vague on
19 this, but this is my best memory I'll give you because I
20 have some memory, I believe Joel Klein, who also attended
21 Renaissance Weekend, and I did not attend Renaissance
22 Weekend, Renaissance Weekend takes place the end of December

1 over the New Year's period I believe, after the Renaissance
2 Weekend he came back and told me that during Renaissance
3 Weekend the President had briefly approached Gene Ludwig,
4 who is the Comptroller of the Currency, just to ask for some
5 advice, I don't quite remember what he said, some advice
6 with respect to the Whitewater matter I'll call it. I
7 really don't know if it was advice with respect to getting
8 people to write articles on his behalf. I don't remember
9 that. I just remember, you know, asking for some sort of
10 advice with respect to the Whitewater matter, and that Klein
11 told me that he had talked to the President and told the
12 President that he shouldn't really discuss this thing with
13 Ludwig, and the President said that's right, you know, he
14 acknowledged that. So I recall that happening, and I said
15 to Klein that was a good thing to do.

16 Q What was your reason for saying to Klein that
17 that was a good thing to do?

18 A What was my reason?

19 Q Yes.

20 A I just didn't want the President engaged in
21 conversations. At this point in time the Whitewater matter,
22 unlike September and October, had begun to mushroom. There

1 were stories about Whitewater files and there had been
2 discussions about the appointment of a Special or
3 Independent Counsel. The President was more and more the
4 focus, you know, of potential charges and things like that,
5 and therefore I just thought it was a bad idea for the
6 President himself to contact anybody, even in the most
7 innocent way, with respect to asking for advice and Klein
8 agreed.

9 Q Now when Klein explained the meeting between the
10 President of the United States and Mr. Ludwig to you did he
11 explain who he had gotten the information about the meeting
12 from?

13 A I don't recall. What I recall is what I've told
14 you. You can try to refresh me if you wish, but I don't
15 recall it.

16 Q So you don't recall as you sit here today and
17 testify whether it was the President who informed Mr. Klein
18 about the conversation or it was Mr. Ludwig who informed Mr.
19 Klein?

20 A That's right. I do not recall that.

21 Q Did Mr. Klein explain to you what his rationale
22 was in telling the President or telling Mr. Ludwig that

1 there should not be such a conversation that took place?

2 A I don't recall Mr. Klein explaining his rationale
3 to me. We both instinctively just felt it was best for the
4 President not to have any contacts with anyone in the
5 government himself with respect to this matter.

6 Q As you're describing it today it sounds like the
7 rationale was that it just was better for your client not to
8 talk to anyone else since it had become a subject of some
9 press inquiry; is that correct?

10 A That's correct, certainly without the presence of
11 counsel, but I think what you said is correct.

12 Q Did you hear the story from Mr. Klein soon after
13 the incident occurred?

14 A I think so after he got back to the White House.
15 It was fairly soon after.

16 Q Do you recall there being any conversation with
17 Mr. Klein at that time either from you to Mr. Klein or Mr.
18 Klein to you that there was another concern, and that was
19 that Mr. Ludwig was an official of the Treasury Department?

20 A No. I don't recall that.

21 Q Do I understand that your interpretation was it
22 was just a good thing from a lawyer point of view that his

1 client didn't talk and it had nothing to do with an ethical
2 problem?

3 A Oh, it had nothing to do with the ethical problem
4 because I did not believe the President asked for anything
5 improper, but it was just better that our client, the
6 President in his capacity as President, not deal directly
7 with government agencies of any sort with respect to this
8 matter. If such dealings should be had, they should be had,
9 if appropriate, by counsel, whether White House counsel or
10 private counsel, depending on what was being requested or
11 what was being done.

12 Q Were you concerned when you heard about the
13 President's contact with Mr. Ludwig about an appearance of
14 impropriety?

15 A No, I wasn't concerned about an appearance of
16 impropriety in the ethical sense.

17 MR. PEDOWITZ: I think the question ought to be
18 broken down to did you think about that at the time.

19 BY MR. CODINHA:

20 Q Did you think about whether there was an
21 appearance of impropriety at the time for the President to
22 talk to Mr. Ludwig?

1 A No. The answer is no, I didn't think about that
2 at the time.

3 Q Did you understand that Mr. Ludwig as he was
4 Comptroller of the Currency sat on the FDIC Oversight Board?

5 A I may have known that. I don't remember. I may
6 have known that.

7 Q Did you understand that the FDIC Oversight Board
8 would have had a decision to make, or possibly would have
9 had a decision to make as to whether the Rose law firm was
10 sued for any actions that were taken?

11 A I don't recall whether or not I understood that
12 at the time. I may have.

13 MR. PEDOWITZ: Is that a correct fact, that the
14 Oversight Board would make a judgment like that?

15 MR. CODINHA: Well I'm just asking whether that
16 was even anything that was considered at the time.

17 THE WITNESS: I don't recall.

18 MR. CODINHA: It certainly has been suggested by
19 other witnesses.

20 MR. PEDOWITZ: That the Oversight Board would
21 make a judgment about who ought to be sued?

22 MR. CODINHA: That they could, that that decision

1 might be brought to the Oversight Board whether a suit
2 should be begun.

3 MR. PEDOWITZ: But we don't know factually
4 whether or not that's a correct statement.

5 MR. CODINHA: I don't know as I sit here today.

6 THE WITNESS: Nor do I. I join with all of you
7 in not knowing that particular fact.

8 BY MR. CODINHA:

9 Q But that wasn't something that you were thinking
10 about when you heard this from Mr. Klein?

11 A No. That I know. It was not something I was
12 thinking about.

13 Q Was it something that Mr. Klein raised with you
14 at the time?

15 A I don't believe so. I don't recall it.

16 Q With respect to the Madison or Whitewater press
17 inquiries, at some point after the October 14th meeting had
18 press inquiries begun to develop more about Madison and
19 Whitewater?

20 MR. PEDOWITZ: Can we separate them out.

21 MR. CODINHA: Well I think at this point he said
22 that he began to hear about Whitewater in November or

1 December.

2 THE WITNESS: In December.

3 MR. PEDOWITZ: And we're talking about October.
4 So are we talking about Madison or are we talking about
5 Whitewater? They're very distinct.

6 BY MR. CODINHA:

7 Q With respect first to Madison, did press
8 inquiries begin to increase after the October 14th meeting
9 until the end of the year with respect to Madison?

10 A Yes. There were stories beginning to run I
11 believe in the Washington Post at the end of October and
12 probably other newspapers with respect to the Madison
13 matter.

14 Q And with respect to Whitewater you say your first
15 recollection is in December?

16 A My first recollection is December and, as I said
17 earlier, it concerned the transfer of a file from Vince
18 Foster's office to private counsel for the President, and
19 there were stories about that. That began a series of
20 Whitewater stories.

21 Q The Committee had developed evidence during the
22 course of its investigation about a group called the

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1 Whitewater response team that was within the White House.
2 Have you ever heard of that group?

3 A There was a group in the White House, or there
4 were people in the White House, I wouldn't call it a group.
5 It was not the same people all the time and it was semi-
6 organized. Because of the increasing number of stories
7 about Whitewater beginning sometime in late December and
8 continuing into January, reaching into the hundreds I
9 believe, a group of people, although not a formal group in
10 an entity sense, but a group of people did get together from
11 time to time on a relatively frequent basis to divide up
12 tasks to help the White House respond to these enormous
13 press inquiries that were coming in, and that's what was
14 going on. It was just, you know, trying to be able to deal
15 with the press with respect to this thing and to answer
16 their questions.

17 Q When did you first become aware of this group
18 which, for lack of a better term, I'll call the Whitewater
19 response team, unless you have a better term for it?

20 A I have no problem with the term.

21 Q All right. Do you know what I'm referring to if
22 I use the term Whitewater response team?

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1 A Yes. For the record you're referring to a group
2 of people who used to meet and gather in order to develop
3 responses to press inquiries with respect to Whitewater. If
4 that's what you mean by a Whitewater response team, that's
5 what I understand it to be.

6 MR. PEDOWITZ: May I inquire as to what this has
7 to do with the scope of the inquiry as defined in the
8 Resolution?

9 MR. CODINHA: Because the Committee has developed
10 evidence over the course of its investigation that many of
11 the people who were involved in this Whitewater response
12 team were also people who were having contacts outside, and
13 we're trying to determine whether everyone who had to do
14 with the Whitewater response team and whether it was
15 organized, in other words, that a decision would be made by
16 the Whitewater response team that would then be carried out
17 by an individual person or individual people and they would
18 then report it back. That's how it has to do with it.

19 We're not interested in the inner workings of the
20 White House on other matters, but as it refers to the
21 Whitewater response team we are. In other words, contacts
22 were then made to the Treasury or to the Treasury Department

1 from the White House and back, and the same people who were
2 involved in one are involved in the other, and we're trying
3 to determine where the overlap is.

4 MR. PEDOWITZ: So your inquiry is simply limited
5 to determining who is on the Whitewater response team as
6 you've defined it.

7 MR. CODINHA: At this point that's where I'm
8 going to begin the inquiry, yes.

9 MR. PEDOWITZ: Let's take one second.
10 (Witness and his counsel confer.)

11 MR. PEDOWITZ: We need a minute or two to talk
12 about an earlier question you asked.

13 (Brief recess while the witness and his counsel
14 caucus away from the table.)

15 MR. CODINHA: Let's go back on the record.

16 Mr. Nussbaum, I had earlier put to you a question
17 about information about the conversation that had occurred
18 between the President of the United States and Comptroller
19 of the Currency Eugene Ludwig, and I may have cut you off or
20 somehow we got on another direction. Is there something
21 that you need to complete about your testimony?

22 MR. PEDOWITZ: Just so it's clear, we think that

1 you asked a question earlier on about contacts between Mr.
2 Ludwig and the White House or the President of the United
3 States, and as a consequence we feel that we should
4 supplement the record because I think we did go off in a
5 direction talking about Mr. Klein and his discussions with
6 Mr. Nussbaum and all of the thoughts have not been
7 completed.

8 THE WITNESS: I don't believe that your questions
9 you put to me really called for this answer, but we do want
10 to complete the record here.

11 By telling you that at some point early, and I
12 don't remember when, I'm pretty vague on this, at some point
13 in January I guess I had a conversation with Ludwig. Ludwig
14 called me probably on another subject, maybe on a nominee
15 or, and I'm vague on this, perhaps on an appointment issue,
16 and in the course of that conversation it briefly came up
17 that the President had approached him or talked to him at
18 Renaissance. It just came up, and I told Ludwig on the
19 phone, yes, I knew about that and the advice he had
20 received, you know, just not to have conversations about
21 that subject with the President was good advice and that's
22 what he should do. That's what I remember about a

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1 conversation I had with Ludwig. It was very brief, and I
 2 don't believe the purpose of the call concerned the contact,
 3 but it did come up in that conversation, and I related what
 4 I just said.

5 There is one other thing that you should know,
 6 although your questions I don't believe called for this
 7 either. I had a brief conversation with the President with
 8 respect to the Ludwig matter at around this same time. This
 9 is after my conversation with Klein and it was around the
 10 time of my conversation with Ludwig.

11 I was walking with the President from the Oval
 12 Office to the residence where the President resides. We
 13 were talking about something else, and I mentioned to him,
 14 because it occurred to me as we were just walking together,
 15 I said, you know, I had heard from Klein about his contact
 16 with Ludwig at Renaissance, and I just said to him, Mr.
 17 President, I don't think, in substance, I don't remember the
 18 words, I don't really think that's a good idea, and I know
 19 Joel told you that, and he says, yes, I agree with you. It
 20 was just, you know, idle chatter, that was it. That's how I
 21 wanted to supplement the record or complete the record in
 22 this regard.

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1 BY MR. CODINHA:

2 Q First with respect to the conversation that you
 3 had with Mr. Ludwig, was this a telephone conversation?

4 A Yes.

5 Q Did Mr. Ludwig tell you anything about the
 6 substance of the conversation he had had with the President
 7 of the United States?

8 A No.

9 Q Did you ask him anything about the substance of
 10 the conversation?

11 A No.

12 Q How long did that conversation last?

13 A Between Ludwig and I on this subject, less than
 14 30 seconds.

15 Q Did the conversation that you had with the
 16 President of the United States occur before or after the
 17 conversation you had with Mr. Ludwig?

18 A I don't remember.

19 Q When you gave the President advice that it was
 20 not a good idea or words to that effect when you discussed
 21 this, or you didn't think it was a good idea, to what were
 22 you referring?

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1 A Just what I said, it just was not a good idea for
2 him to be in contact with Executive Agencies or anybody in
3 Executive Agencies with regard to Whitewater. If anything
4 had to be done with respect to Whitewater, the appropriate
5 thing to do is for the appropriate counsel, whether it be
6 private counsel or White House counsel, to do it. You said
7 it before best, even better than I've been saying it, you
8 know, the President is my client in his capacity as
9 President, and he has other lawyers in his private capacity
10 and these kinds of things should be handled by them rather
11 than by him. It was not an ethical or an appearance
12 concern. It was a lawyer/client concern in effect.

13 Q Did you become aware of any other conversations
14 that Mr. Ludwig had with anyone else in the White House
15 during the month of January?

16 A No, I did not become aware.

17 Q Has it been reported to you that Mr. Ludwig also
18 had a conversation with Ms. Williams, the Chief of Staff to
19 the First Lady of the United States with respect to
20 Whitewater?

21 A I don't recall it being reported to me.

22 Q Did you know Ms. Williams, Margaret or Maggie

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1 Williams?

2 A Yes. I know Ms. Williams.

3 Q And in January of 1994 she was the Chief of Staff
4 to the Hillary Clinton, the First Lady?

5 A That's correct.

6 Q Going back now to the Whitewater response team,
7 when do you believe this team began having meetings?

8 MR. PEDOWITZ: Just so that we're clear, he
9 explained to you before that that's not a term that he's
10 familiar with.

11 MR. CODINHA: He has defined the term. I'll go
12 back and redo it, but it's on the record already.

13 MR. PEDOWITZ: I understand, but you're using
14 your term.

15 MR. CODINHA: I'm using that term as was on the
16 record before we took the aside.

17 THE WITNESS: Sometime in January, late December
18 or early January, when the stories started coming, whenever
19 the stories started coming people needed to be able to
20 respond.

21 BY MR. CODINHA:

22 Q Where did this group meet?

1 A In various places in the White House. There was
2 no one place.

3 Q Was there a regular meeting time for this group?

4 A For a time a group of people used to get together
5 in the morning, but that changed. I mean for a time we used
6 to get together every morning at 9:15 or 10 o'clock after
7 the other staff meetings, or 9 o'clock I think, but it
8 didn't continue on that regular a basis. We would meet for
9 a few days and then sometimes we wouldn't meet, but for a
10 while we did meet.

11 Q Was there an agenda for this group?

12 A I don't recall if there was an agenda. I don't
13 know if people came in with lists. Maybe sometimes they did
14 and maybe sometimes they didn't. There were a lot of
15 stories to answer and there was a lot of information to be
16 obtained with respect to answering those stories and dealing
17 with the reporters who were asking questions, and this group
18 discussed that, responding to the press, how to respond to
19 the press and how to get the information we need to respond
20 to the press.

21 Q Who, if anyone, was in charge of this group?

22 A No one I believe was in charge of this group.

1 Q How would individuals know whether there was
2 going to be a meeting of this group or not in that it didn't
3 appear to meet on a formal basis?

4 A Well sometimes a memorandum would be sent around
5 and sometimes people would be called. I think for a while
6 it was sort of under the direction of Mr. Ickes or Mr.
7 Stephanopoulos at different times. It was a communications
8 project.

9 Q When had Mr. Ickes come to the White House?

10 A Early in January.

11 Q What was his role at the White House?

12 A He was Deputy Chief of Staff.

13 Q And Mr. Stephanopoulos was a Senior Adviser to
14 the President?

15 A Correct.

16 Q In what area did he specialize?

17 A In all areas.

18 Q Who else participated in that group, the
19 Whitewater response team?

20 A It's not that formal. I mean I'm not looking to
21 quibble or fight about words, Whitewater response team, you
22 know. It was a group of people trying to deal with

1 responding to press inquiries. It involved a lot of
 2 different people over a period of time. It would involve
 3 Stephanopoulos, it would involve Ickes, it would involve
 4 Gearan, it would involve Dee Dee Myers, it would involve
 5 me, it would involve Neil Eggleston, it might involve Cliff
 6 Sloan, it would involve Maggie Williams, it would involve
 7 Lisa Caputo, who was the Press Secretary for the First Lady.
 8 Those are the people that come to mind now, but there were
 9 probably other people who were in and out of these meetings,
 10 depending on what else they were working on or whether they
 11 were around. It would involve John Podesta, it might
 12 involve Todd Stern.

13 The White House was being overwhelmed with
 14 Whitewater stories, and the White House was trying as best
 15 as it could, as it should and as its official function, to
 16 respond those Whitewater stories.

17 Q Did Mr. McLarty participate in that team?

18 A From time to time.

19 Q What role did Mr. McLarty play in this group?

20 A No particular role.

21 Q What role did you play in that group?

22 A My role as counsel to give advice and to try to

1 help if legal advice was necessary, or if the press was
 2 asking judgments about legal issues or factual issues which
 3 we can be helpful on and with analyzing things. That's the
 4 role I played.

5 Q What role did Mr. Gearan play?

6 A A communications role. He was often and became
 7 at different times the spokesman for the White House from
 8 time to time on these issues, as did Dee Dee Myers who is
 9 the Press Secretary, and as did Bruce Lindsay from time to
 10 time, depending on the issue that arose.

11 Q Was Mr. Lindsay part of that group?

12 A Yes. If I didn't mention him, I should have
 13 mentioned him.

14 Q What role with Mr. Eggleston play in that group?

15 A To assist me, or to assist John Podesta at some
 16 point with respect to developing response to Whitewater
 17 inquiries.

18 Q What role did Mr. Sloan play in that group?

19 A The same as Mr. Eggleston, but lesser as time
 20 went on, if any.

21 Q What role did Mr. Stern play in that group?

22 A To assist Mr. Podesta. He was Mr. Podesta's

1 assistant.

2 Q And Mr Podesta's position?

3 A He's Staff Secretary.

4 Q And Ms. Caputo's role?

5 A She's the communications person for the First
6 Lady.

7 Q I'm sorry, as Staff Secretary, what was Mr.
8 Podesta's role on that group?

9 A As Staff Secretary, Mr. Podesta was sometimes
10 sort of a troubleshooter in the White House and helps if as
11 particular problems arise, and his was just, you know, to
12 help people develop responses and coordinate the development
13 of responses and the conveying of those responses.

14 Q And Ms. Williams was Chief of Staff to the First
15 Lady?

16 A Correct.

17 Q What was her role in that group?

18 A To give advice and judgments as to what our
19 responses should be with respect to these Whitewater
20 questions.

21 Q Do you know an individual by the name of
22 Christine Varney?

1 A Yes.

2 Q And what position did she hold at the White
3 House?

4 A She's the Cabinet Secretary?

5 Q Did she play any role in the Whitewater response
6 group?

7 A If she did it was a minor role, at least to my
8 memory.

9 Q Did you become aware in early January of 1994 of
10 a group of Cabinet level individuals who were being called
11 together to discuss Whitewater, and that group would have
12 included Secretary Bentsen, Secretary Reich, Secretary Riley
13 and Secretary Babbitt?

14 MR. PEDOWITZ: Are you sure that this falls
15 within the scope of your inquiry? I'm really having a very
16 hard time seeing the linkage.

17 MR. CODINHA: Well Secretary Bentsen was called
18 as Treasury Secretary to discuss Whitewater, and he was
19 called by the White House. That's certainly within the
20 scope.

21 MR. PEDOWITZ: Then let's pursue it. I mean
22 you're telling us things that ---

1 MR. CODINHA: Can I just ask under what theory
2 wouldn't that be within the scope if it there was a White
3 House ---

4 MR. PEDOWITZ: You're telling us that something
5 happened.

6 MR. CODINHA: No, I'm asking whether it happened,
7 whether he is aware of it happening.

8 BY MR. CODINHA:

9 Q Are you aware of whether such a meeting was
10 called?

11 A I am not aware of any specific meeting being
12 called. Whitewater was becoming a major political and
13 public relations issue. I am aware that people were trying
14 to get judgments on how to deal with this major political
15 and public relations issue from various Cabinet Member and
16 people whose judgment people wanted. I'm not aware of any
17 particular Cabinet Members. The names that you cite I have
18 no particular memory, although I don't have any dispute that
19 their advice was sought with respect to this thing.

20 Q The one that I'm particularly concerned about is
21 Secretary Bentsen. Do you recall Secretary Bentsen being
22 contacted by the White House about the subject of Whitewater

1 in early January?

2 A I recall Christine Varney once telling me
3 sometime in January I believe that she told Secretary
4 Bentsen not to attend the session, or she advised Secretary
5 Bentsen. She didn't tell him. She doesn't tell the Cabinet
6 Secretary anything. She advised Secretary Bentsen not to
7 attend a meeting of certain Cabinet Members at which the
8 Whitewater issue might come up. I remember her telling me
9 that, and I said fine. I mean she didn't it. She didn't
10 ask me in advance, but she did it, and I said fine.

11 Q Do you remember when you had this conversation
12 with Ms. Varney?

13 A No, I don't. I believe it was sometime in
14 January.

15 Q Did Ms. Varney tell you who from the White House
16 had requested Secretary Bentsen to attend such a meeting?

17 A She did not.

18 Q Did Ms. Varney tell you the reason that she
19 advised Secretary Bentsen not to attend such a meeting?

20 A I think she said she didn't think it would look
21 good.

22 Q Do you recall anything else she said about why it

1 wouldn't look good?

2 A No.

3 Q When Ms. Varney said words to the effect that she
4 advised Treasury Secretary Bentsen not to attend a meeting
5 to discuss Whitewater because it wouldn't look good ---

6 A Well I should say it was a public relations
7 concern. I mean she expressed a public relations concern.
8 When I say it didn't look good, I'm not saying she used
9 those words exactly, but she was worried on a public
10 relations basis.

11 Q Did you understand what she meant when she said
12 she was concerned on a public relations basis?

13 A What I understood is that she was worried about
14 press criticism.

15 Q She was worried about press criticism of what?

16 A Of Secretary Bentsen attending a meeting of
17 Cabinet officials with respect to the Whitewater matter.

18 Q Did you understand that it was any Cabinet
19 official who would attend such a meeting or that there was
20 something unique about Secretary Bentsen?

21 A That the press criticism was more likely with
22 respect to Secretary Bentsen if he attended such a meeting

1 the sat on the Oversight Board of the RTC. That wouldn't
2 apply to other Cabinet members.

3 Q Did Christine Varney tell you that, or is that
4 what you realized as she spoke to you?

5 A I don't recall if she said it explicitly or I
6 just gathered it implicitly from her conversation with me.

7 Q Did that make sense to you when she said it?

8 A Yes, it made sense. I mean she was just worried
9 about bad publicity. I had no ethical or legal concerns,
10 but she was expressing a public relations concern, and to me
11 the concern appeared to be legitimate.

12 Q Does Ms. Varney have the sort of authority that
13 she can go to Cabinet-level people and recommend to them
14 that they not attend meetings?

15 A She can recommend, but they may or may not
16 following her recommendation.

17 Q Are you ever aware of any other circumstance
18 where she has made a recommendation like that?

19 A No, I'm not aware.

20 Q When Ms. Varney told you this sometime in
21 January ---

22 A I believe it was sometime in January. I'm very

1 vague on the time frame.

2 Q When Ms. Varney told you this did you take any
3 steps to gather information as to whether a contact between
4 the White House the Secretary of the Treasury would be
5 appropriate?

6 MR. PEDOWITZ: Could you repeat that.

7 MR. CODINHA: Let me rephrase it.

8 BY MR. CODINHA:

9 Q After Ms. Varney told you this, whenever it was,
10 whether it was in January or after that, did you make an
11 independent attempt to determine whether there would be
12 something more than just a public relations problem and
13 whether there was an ethical violation?

14 A No, I didn't. I didn't believe there was any
15 ethical violation. I didn't see any, and I didn't make any
16 attempt to determine whether there was one.

17 MR. PEDOWITZ: We gather the meeting did not take
18 place with Secretary Bentsen present.

19 MR. CODINHA: I can't confirm or deny that.

20 MR. PEDOWITZ: Could we take a short break?

21 MR. CODINHA: Sure.

22 (Recess taken from 2:47 to 2:54 p.m.)

1 MR. CODINHA: Let's go back on the record.

2 EXAMINATION (Resuming)

3 BY MR. CODINHA:

4 Q Mr. Nussbaum, at some point in January did you
5 become aware that Mr. Eggleston was preparing a chronology
6 of events concerning Whitewater or Madison?

7 A Yes, I believe so.

8 Q Do you know the reason why Mr. Eggleston prepared
9 such a chronology?

10 A To assist the White House in responding to the
11 various press inquiries that were continuing.

12 Q Was it prepared at your direction?

13 A I don't recall. It may have been. Mr. Podesta
14 more and more was coming to the fore in organizing the White
15 House's communications response to the Whitewater issue, and
16 he was working more and more with Mr. Podesta.

17 Q Who is the "he," Eggleston?

18 A Eggleston. So the preparation of the chronology
19 could have been either a response to Mr. Podesta's request
20 or my request as part of his assisting of Mr. Podesta in
21 responding to press inquiries.

22 Q At some point in January of 1994 did you come to

1 he aware of who John Ryan was?

2 A No.

3 Q He was the CEO of the RTC.

4 A Not in January did I become aware. I became
5 aware of his name in February. You said January.

6 Q I did say January, but did you know of John Ryan
7 in January?

8 A No.

9 MR. PEDOWITZ: No or I don't recall?

10 THE WITNESS: The answer was no.

11 BY MR. CODINHA:

12 Q Did you know who Ellen Kulka was in January of
13 1994?

14 A I knew who Ellen Kulka was in January. I had
15 heard of Ellen Kulka by January of 1994.

16 Q And who did you know Ellen Kulka to be in January
17 of 1994?

18 A In January 1994 I believed Ellen Kulka to be a
19 lawyer with the Office of Thrift Supervision.

20 Q Did you come to understand during the month of
21 January that she had been appointed General Counsel of the
22 RTC?

1 A I don't believe I came to understand during the
2 month of January that she had been appointed General Counsel
3 of the RTC.

4 Q At sometime in January of 1994 was a Special
5 Counsel appointed at or around January 20th?

6 A Fiske you mean?

7 Q Fiske.

8 A Sometime in January Fiske was appointed by the
9 Attorney General, yes.

10 Q And when that occurred did that have any effect
11 on the Whitewater response group?

12 MR. PEDOWITZ: What do you mean by "effect"?

13 MR. CODINHA: Did it continue to meet or did it
14 stop meeting because we've developed information both ways.

15 THE WITNESS: The hope was that by the
16 appointment of Special Counsel there would be less press
17 inquiries and people would just await the investigation and
18 ultimate determinations by the Special Counsel. So I think
19 my memory is that the people who were gathering from time to
20 develop communications in response to Whitewater met less
21 after the appointment of Mr. Fiske as Special Counsel.
22

1 BY MR. CODINHA:

2 Q Prior to February of 1994 had you ever heard any
3 discussion about the subject of Roger Altman's possible
4 recusal from sitting on the Madison matter for the RTC?

5 A No.

6 MR. PEDOWITZ: Maybe we ought to have the
7 question repeated.

8 (The last question was read by the reporter.)

9 (Witness and his counsel confer.)

10 THE WITNESS: Okay.

11 BY MR. CODINHA:

12 Q Did you attend a meeting on February 2nd of 1994
13 at the White House at which Mr. Altman, Roger Altman, among
14 other people, was present?

15 A I did.

16 Q When did you first hear that that meeting was
17 going to occur?

18 A Not too long before the meeting. Do you want me
19 to explain how it came about?

20 Q Let me ask you, to the best of your knowledge,
21 how did it come about that such a meeting was going to
22 occur?

1 A I was called by Mr. McLarty's office sometime in
2 the afternoon I believe of February 2nd and asked if I could
3 attend a meeting in Mr. McLarty's office sometime later that
4 day sort of late in the afternoon or the early evening. I
5 said I would be available to attend such a meeting. That's
6 all I heard at that point. I was not told who would be at
7 the meeting.

8 Q So that was the information you got, and did that
9 sort of thing get scheduled by Mr. McLarty, and when I say
10 that sort of thing, a meeting like that that you might just
11 be notified to come to Mr. McLarty's office, was that
12 relatively routine?

13 A It was somewhat routine. It happens.

14 Q Did you attempt to determine before you went to
15 the meeting what the meeting was going to be about so you
16 could prepare for it?

17 A No.

18 Q Did you have any discussions with anyone prior to
19 the meeting about what the meeting was to be about?

20 A No.

21 Q What was the next thing that happened after you
22 receiving notice about the meeting, and I don't mean the

1 next thing that happened just in general, that you had lunch
2 or you went out for a hair cut?

3 A At the appointed hour I went to Mr. McLarty's
4 office.

5 Q When you arrived at Mr. McLarty's office who was
6 there?

7 A Mr. Altman, Ms. Hanson, Mr. Ickes, Maggie
8 Williams and me. Mr. McLarty wasn't there. That's who was
9 there when I arrived.

10 Q Did other people arrive after you arrived?

11 A Yes.

12 Q Who else arrived?

13 A Mr. Eggleston at my request.

14 Q At what point did you request Mr. Eggleston to
15 come in, before the meeting began or after the meeting had
16 begun?

17 A Before the meeting began because I asked what was
18 going to be the subject of this meeting when I walked in and
19 saw these people sitting there.

20 Q To whom did you put that question?

21 A Just to the group.

22 Q Did you get a response back from an individual or

1 from the group?

2 A I got a response back I believe from -- I'm not
3 sure who responded. It was either Mr. Altman, Ms. Hanson or
4 perhaps even Mr. Ickes, and the response was Mr. Altman is
5 going to brief us on the Statute of Limitations process, the
6 process that the RTC is following with respect to the
7 Statute of Limitations issue. And I said then I want to get
8 Neil Eggleston who works for me on these type of matters,
9 and I asked for Mr. Eggleston to come into the office, or I
10 asked Mr. Eggleston to be asked to come into Mr. McLarty's
11 office. He was asked. He was reached and he came to Mr.
12 McLarty's office where he joined the meeting.

13 Q When you say it's Mr. Eggleston who works with
14 you on these type of matters, what is the type of matter?

15 A Litigation type of matters and litigation type
16 issues.

17 Q How did you see Mr. Altman's briefing was going
18 to be on litigation type issues?

19 A The process of determining how the RTC was going
20 to act with respect to the Statute of Limitations, what
21 procedures they were going to follow with respect to this.

22 Q Were you aware before you walked into the meeting

1 on February 2nd that there were any Statute of Limitations
2 issues with respect to the RTC that the White House was
3 following?

4 A Yes. I mean there was a Statute of Limitations
5 which was expiring on February 28th. We were aware of that.
6 The Statute of Limitations for actions that the RTC could
7 bring against certain entities or individuals for civil
8 fraud or wilful misconduct that was expiring on February
9 28th. There were a lot of speeches going on in the Senate
10 with respect to this issue, and I was aware that the RTC was
11 conducting an investigation to see if any action should or
12 should not be brought for civil fraud or wilful misconduct
13 prior to February 28th.

14 Q Were you aware of the discussion that was taking
15 place on the Senate floor personally, or was it being
16 reported to you?

17 A No. You know, it was in the news and it was on
18 TV.

19 Q And were you aware that the discussion that was
20 taking place on the Senate floor had focused on Madison and
21 when the Statute of Limitations was going to run on Madison?

22 A I believe so.

1 Q Did that refresh your memory that Madison was
2 related to the press clipping you had gotten back in March
3 from Mr. Altman?

4 MR. PEDOWITZ: I don't understand ---

5 MR. CODINHA: Did you connect that as being the
6 same Madison that you had received the press clipping on?

7 THE WITNESS: No. I didn't think about the press
8 clipping.

9 BY MR. CODINHA:

10 Q Did it strike you that it was the same Madison
11 that you had been hearing about in the fall from September
12 on?

13 A Oh, yes.

14 Q So you knew that possibly this was involving the
15 Clinton's, the issue of the Statute of Limitations was
16 involving the Clinton's?

17 A Oh, yes, I knew that the Statute of Limitations
18 was involving the Clinton's.

19 Q Do you know who called the individuals, for
20 instance, Mr. Ickes, to be at that meeting?

21 A Let me just add one thing to what was said at the
22 beginning also. When the person who responded said Mr.

1 Altman is going to brief with respect to the Statute of
 2 Limitations process to be followed by the RTC, it was said I
 3 believe at that point also that this is the same kind of
 4 discussion that has already been had with various
 5 Congressmen or Senators. So what came into my mind was
 6 we're getting the same briefing with respect to the Statute
 7 of Limitations process that is being given to people in
 8 Congress, and at that point I said well I want to get Mr.
 9 Eggleston in who assists me on these type of matters, and
 10 Mr. Eggleston came in.

11 Q Who determined who should attend the meeting, if
 12 you know?

13 A I don't know.

14 MR. PEDOWITZ: Other than Mr. Eggleston.

15 MR. CODINHA: Yes. Mr. Eggleston we do know
 16 because you called him in.

17 THE WITNESS: Correct.

18 BY MR. CODINHA:

19 Q But the other people, do you know who determined
 20 that Mr. Ickes should be present at that meeting?

21 A No.

22 Q Do you know who determined that Ms. Williams, the

1 Chief of Staff to Mrs. Clinton should be present at that
 2 meeting?

3 A No.

4 Q Do you know what role Ms. Williams was to be
 5 playing at that meeting?

6 A Did I know what role she was going to be playing
 7 at the meeting?

8 Q Yes.

9 A She was going to sit and listen to the briefing.

10 Q She is now a lawyer, is she?

11 A No.

12 Q You didn't believe she was sitting in in any
 13 legal capacity, did you, and when I say legal capacity,
 14 capacity to get her input on an item like when the Statute
 15 of Limitations would be running?

16 A No. It was going to be a briefing on the process
 17 that's going to be followed, and you don't have to be a
 18 lawyer to listen to a briefing on the process that will be
 19 followed as to how the RTC is going to make its
 20 determination with respect to the Statute of Limitations
 21 issues that have arisen.

22 Q Who was the first one who spoke at the meeting,

1 if you recall?

2 A Well we waited for McLarty to come, and McLarty
3 didn't come because he was busy in another meeting in the
4 West Wing. We determined to begin the meeting and the
5 meeting began, and the first one to speak I recall was Roger
6 Altman.

7 Q And as best as you can recall, what did Roger
8 Altman say?

9 A Roger Altman then said that he was going to give
10 us a briefing on the procedures or the process, the
11 procedures to be followed by the RTC with respect to the
12 Statute of Limitations issue. He mentioned that there
13 existed, and most of this I knew obviously, or all of this I
14 knew, there existed an RTC Completion Act which contained
15 the Statute of Limitations which was going to expire on
16 February 28th for civil fraud or wilful misconduct, that the
17 RTC staff was presently conducting an investigation of
18 certain individuals and various entities, including the
19 Clinton's, as to whether or not any action should be brought
20 against any individual or entity prior to the Statute of
21 Limitations expiring on February 28th, 1993, that the RTC
22 had three options, option No. 1 would be to find that

1 sufficient cause existed to bring a civil action, option No.
2 2, to find that there was no basis for a civil action
3 against anyone, and option No. 3, to asking for tolling
4 agreements.

5 This is all nothing to any lawyer who is involved
6 in civil litigation but, all right, Roger is laying all this
7 out. Option No. 3 is to ask for tolling agreements for one
8 or more individuals or entities. He says the staff of the
9 RTC is conducting its investigation, and these are the three
10 options that the staff had, and the staff would be making a
11 recommendation ultimately prior to the expiration of the
12 Statute of Limitations as to which of these three options
13 the RTC should follow.

14 He said that the staff inquiry was being led by,
15 I believe he said by Mr. Ryan, who was the Deputy Chief
16 Executive Office of the RTC, and by Ms. Kulka, Ellen Kulka,
17 who was the General Counsel of the RTC. I had not heard
18 that before, and I think at this point, and again I'm giving
19 you my recollection of the gist, I'm not giving you specific
20 language or anything like that, but at this point I
21 remembered, knowing of Ellen Kulka, and I said I had heard
22 of Ellen Kulka, that she was one of a number of tough OTS

1 litigators that I had encountered while I was in private
2 practice.

3 Roger then went on to say, and at this point he
4 had sort of completed his briefing with respect to the
5 procedures to be followed, and then he suddenly turned, to
6 my surprise, to another topic and he said the following. He
7 said that he was considering recusing himself from any
8 further involvement in this matter.

9 He said that he had talked to Secretary Bentsen
10 and Ms. Hanson and they thought that probably would be best
11 for him to remove himself. He said that he had obtained
12 advice that he was not legally or ethically required to do
13 so. He had retained advice from inside the Department of
14 the Treasury or the RTC, I don't remember which he
15 mentioned, that he was not legally or ethically required to
16 recuse himself, but nonetheless he was inclined to believe
17 that it would be best to do so and consequently he was
18 considering recusing himself.

19 That's what I remember him saying. It took my be
20 surprise, and I think it took the other people in the room
21 by surprise, too, but I can't speak for anybody else.

22 I then responded. Now I should say I'm going to

1 separate out what I said to him and what came into my mind
2 at this point. One, I was surprised by the raising of this
3 subject. Two, what he said to me raised a significant
4 public policy issue, which took me by surprise. The issue
5 is whether or not an Executive Branch official has the
6 right, whether he has the legal right or not, or should
7 recuse himself from a difficult matter in the absence of a
8 legal or ethical obligation to do so. To me that was a
9 significant policy issue for the Executive Branch and for
10 the Administration.

11 What I also believed in my mind at that time and
12 what came into my mind at that time was from the world I
13 come from, the litigating world, the litigating bar and
14 litigating before judges, I believed that the law was or the
15 proper principles were that if one, that if a judge, for
16 example, is legally or ethically obligated to recuse oneself
17 from a matter, then that person absolutely should do so,
18 there is no question. But if one is not legally or
19 ethically obligated to recuse themselves from a matter, then
20 one has a duty to serve with respect to that matter however
21 inconvenient it may be to make whatever decision is
22 appropriate, whatever fair decision is appropriate.

1 And I thought this created a serious policy issue
2 for the Administration, and it was not merely an academic
3 policy issue for the Administration. It was a current
4 serious policy issue for the Administration because I
5 believe just the day before a nominee, an Administration
6 nominee for the Head of the FDIC, which also could deal with
7 Madison/Whitewater type matters, Ricki Tiggert, was before
8 the Senate Banking Committee, and she was being pressed by
9 certain Senators because she knew the Clinton's and because
10 she was a nominee of President Clinton to in advance recuse
11 herself from consideration of any Madison/Whitewater matter.

12 Her response was, and I knew all this at the time
13 Altman was talking, her response was that she would consult,
14 if confirmed she would consult with the appropriate ethics
15 officials of the FDIC, and if she was legally or ethically
16 required to recuse herself she would do so and she would act
17 appropriately. She pledged she would recuse herself if she
18 was told she was legally or ethically required to do so.

19 The response from the inquiring Senators was
20 that's not sufficient, that they would not permit her
21 nomination to proceed unless she agreed in advance to recuse
22 herself, and that's the way the matter was left.

1 As a result of that, in the White House there had
2 been internal discussions, particularly by me as Counsel and
3 Mr. Lindsay, as to what we thought the White House policy
4 should be with respect to this thing, and both Mr. Lindsay
5 and I at least concluded that our position should be and the
6 White House policy should be as we believed that nominees
7 should not agree to recuse themselves because of pressure
8 from political opponents unless there was a legal or ethical
9 obligation to do so.

10 At that point Ms. Tiggert was taking the position
11 that she would not agree in advance to recuse herself, and
12 her nomination was being held up because of that, and that
13 was the position I wanted her to take, and that is the
14 position I believe Mr. Lindsay wanted her to take. He was
15 the head or former head, I don't know, of White House
16 Personnel and was clearly involved in key discussions. So
17 this policy issue was not really an academic issue. It was
18 a current concern, at least of me and Mr. Lindsay and some
19 others in the White House, with respect to this matter.

20 And then I hear Altman saying what he just said,
21 which is that he has no legal or ethical obligation to
22 recuse himself, but he thinks it best and seriously

1 considering or considering doing so. But I didn't have time
 2 when he said it to really consider all the implications. I
 3 didn't know the subject was going to come up, I didn't have
 4 time to research it or really think through what was the
 5 appropriate thing to respond to this thing. So I determined
 6 on the spot to say the following, which I'll now describe
 7 what I said.

8 Oh, let me go back to one other thing I forgot.
 9 In his conversation where Mr. Altman said he was seriously
 10 considering recusing himself, he also said this would have
 11 no effect on any final decision that the RTC reaches because
 12 he would be inclined, strongly inclined to follow the
 13 recommendation that his staff made with respect to this
 14 matter. I remember him saying that when he was giving his
 15 litany of things that I've just described earlier. He also
 16 said that at that point, that it would have no effect on the
 17 final decision of the RTC because he as Chief Executive
 18 would be strong inclined, and I don't remember the exactly
 19 words he used, to follow the recommendations of his staff.

20 Now I've told you what he said, and I've told you
 21 what was in my head at this particular point in time.

22 What I said to him in response when he said this

1 is I said, No. 1, and I don't know if I used No. 1 like
 2 that, you know, I said if you are or at any time become
 3 legally or ethically obligated to recuse yourself, then you
 4 should do so without question. That's the first thing I
 5 said to him.

6 The second thing I said to him was if you are not
 7 legally or ethically required to recuse yourself, you should
 8 seriously consider whether or not you should do so. It's
 9 not enough merely to say that it makes no difference with
 10 respect to whatever the final outcome of this investigation
 11 would be because you're going to rely on your staff, because
 12 while you may well rely on your staff, the fact is that if
 13 you do not recuse yourself, if you're not legally or
 14 ethically obligated to do so, the fact that you remain as
 15 Head of the RTC provides additional safeguards for
 16 professionalism and fairness, because if people know they're
 17 reporting to somebody else and their judgments and fact
 18 finding are going to be reviewed by that individual, I think
 19 they take greater care to be professional and fair rather
 20 than if they have the ultimate decision-making power
 21 themselves. So I do think it provides an additional
 22 protection for fairness and professionalism. That's the

1 second thing I said.

2 And the third thing I recall saying is in any
3 event, because while I was disturbed by this policy issue
4 and nonetheless I didn't have time to consider the
5 implications, the full implications of what should be said
6 or not be said, so the third thing I said was in any event,
7 Roger, whatever you decide on this issue of recusal is for
8 you to decide and for you alone to decide.

9 He looked at me and he said, the thing I remember
10 him saying at that point was something like well I'm going
11 to think about this matter, or I'm going to consider the
12 matter further.

13 The only other thing I remember being said at the
14 meeting is Maggi Williams sort of asking whether or not the
15 private lawyers would be getting the same kind of briefing
16 that Congressional people have gotten and that we have just
17 gotten with respect to the procedures to be followed with
18 the Statute of Limitations, although there is nothing
19 terribly mysterious about those procedures. And even Ms.
20 Hanson or Roger, but I think Ms. Hanson sort of replied it's
21 something we will take under consideration or we will
22 consider.

1 The meeting then ended and everybody got up to
2 start walking out of the room. As I walked out of the room,
3 and I was sort of walking out with Ms. Hanson, and I said to
4 her something to the effect, by the way, and this is not the
5 exact words again but in substance, by the way, did Ryan's
6 name and Kulka's name, did they come through the White
7 House, were they submitted to the White House prior to their
8 appointment, because all appointments such as that, it was
9 my understanding, come through the White House, come through
10 Personnel and come through the White House Counsel's Office
11 for vetting and for our ethical judgments and financial
12 judgments, the kind of things we do. We work together with
13 Personnel and we work together with other things, and I had
14 never heard their names. I usually know about the names of
15 all significant appointments in the Administration, and I
16 never heard those names. So I asked her if in fact those
17 names had been sent to the White House, and she said to me,
18 yes, they had been, and I said fine.

19 That is the meeting as I recall it of February
20 2nd, 1994.

21 Q With respect to the statement that you usually
22 know all significant appointments, was the person who was

1 going to be the General Counsel to the RTC considered a
2 significant appointment to the White House?

3 A Yes. I know all General Counsels of various
4 agencies, and I can't say every one, but it is considered a
5 significant appointment. Certainly the Head of the RTC is a
6 significant appointment. I knew Stanley, I forget his name,
7 Stanley Tate I think his name was. We're familiar with all
8 significant appointments such as that. It's considered a
9 significant appointment.

10 Q I understand your statement that you might have
11 known the Comptroller of the Currency. Did you know who was
12 the General Counsel of the Currency or even if there was a
13 General Counsel of the Currency?

14 A No, I didn't know that, if there was a General
15 Counsel of the Comptroller of the Currency, but the names
16 might have been submitted to our office. The thing is a
17 name might be submitted and I might not pay any attention to
18 it, but some names I would recognize if they came across. I
19 think, you know, since I knew of Kulka, if Kulka's came
20 across I would recognize the name. I just didn't remember
21 hearing it, that's all.

22 Q With respect to Ms. Kulka I believe you had

1 described her when you were telling us about this as one of
2 a number of tough OTS litigators that you had come across
3 during your private practice.

4 A That's correct.

5 Q And did you say that at the meeting? Do you
6 recall saying that?

7 A Yes.

8 MR. PEDOWITZ: Again we're talking about the gist
9 of it and not necessarily the exact words.

10 THE WITNESS: The gist of it.

11 MR. CODINHA: That particular statement I'm
12 interested in knowing.

13 BY MR. CODINHA:

14 Q Are those the exact words you used?

15 A No. I don't remember the exact words, but that
16 was the gist of it.

17 Q Do you remember using the word "tough" with
18 Kulka?

19 A I think I did.

20 Q Had you had some prior dealings with Ms. Kulka in
21 your private practice before you came to the White House?

22 A I didn't personally have prior dealings with Ms.

1 Kulka. I have never met Ms. Kulka, nor have I ever met Mr.
2 Ryan to this day. But I had a major litigation with the
3 Office of the Thrift Supervision, as we've alluded to
4 earlier, a major, difficult litigation with the Office of
5 Thrift Supervision involving the New York law firm of Kay,
6 Sholar. Ms. Kulka was only tangentially involved in that.
7 She was involved only in the settlement process. She was in
8 New Jersey at the time, and she negotiated the settlement.
9 I settled the case, and she was involved in negotiation of
10 certain of the terms of the settlement with one of my
11 partners who was handling that aspect of the case, but I had
12 never met her.

13 But she was part of the OTS, and I had this
14 bitter dispute with the OTS over the Kay, Scholar matter,
15 and I did believe that the OTS had acted in that matter, as
16 I made public statements after the matter was over, in fact
17 debated the Head of the OTS, or the General Counsel of the
18 OTS around the country, I believe they acted in a totally
19 unjustifiable manner primarily by freezing ex parte the
20 assets of the law firm upon bringing their action and
21 consequently bringing the firm to its knees and to the verge
22 of extension and making it impossible for them to defend

1 themselves, which required that I settle the matter promptly
2 or the firm would die, and I did settle the matter barely
3 promptly and the firm did not die.

4 But, you know, I left with very strong feelings
5 that this was not the way for a government agency to act,
6 If they had a case, they had a case, but if people want to
7 litigate that case they should be permitted to litigate that
8 case. I had strong feelings about the OTS, but I didn't
9 know Ms. Kulka personally. I had never met her. I just
10 knew she was part of this group of people, or part of an
11 organization at least that did what I considered to be
12 unjustifiable conduct.

13 Q It was widely reported in the papers at the time
14 of the Kay, Scholar settlement, and that was about a \$40
15 million settlement as I recall that they entered into.

16 A Yes, a \$41 million settlement.

17 Q And I think you were widely quoted, or at least I
18 believe you were widely quoted as saying that you thought
19 that was an unfair tactic to get an ex parte freezing of
20 their assets so that they couldn't defend themselves.

21 A That's correct, and then subsequently I had, as I
22 just indicated, public debates after the matter was over

1 with Harris Weinstein, who then was sort of, not the Head of
2 OTS, but the Chief Legal Officer of OTS.

3 Q In the vernacular of litigators it certainly
4 could be called hard ball. Did you think that the conduct
5 that the OTS took at that time went beyond hard ball to
6 being unfair?

7 A Yes, I thought it was unfair.

8 Q I believe you said that you were aware that one
9 of your partners dealt with Ms. Kulka, and did that partner
10 report his dealings to you that he had had with Ms. Kulka?

11 A There was a tough negotiation at the end. I mean
12 the case had already settled and we had agreed to the \$41
13 million figure, and people were now negotiating the terms,
14 the length of the note, interest rates and things like that.
15 He reported back, but there was nothing improper about her
16 conduct that was reported back to me. The hard-ball tactics
17 was not part of the negotiation with my partner about a
18 higher interest rate or stricter terms in the note that had
19 to be paid. It wasn't all paid in cash, the \$41 million.
20 Nothing negative I recall was reported back about her
21 personally. I had no negative feelings toward her
22 personally or to Mr. Ryan, who I didn't even know. I did

1 have strong feelings about the OTS.

2 Q Did an alarm go off in your head when you heard
3 the name Ellen Kulka and you heard that she was going to be
4 in charge of making the decisions and the decision process
5 for Madison?

6 A Because of her contact with the OTS I was
7 somewhat concerned about the fairness and the
8 professionalism of not her individually, but the fairness
9 and professionalism of people who had worked there because
10 of the Kay, Scholar matter. I had a concern about that,
11 yes.

12 Q So you had had some independent dealings with OTS
13 at a time when she was at OTS and you had known the results,
14 and that raised concerns that you had at that time as soon
15 as you heard her name?

16 A That's correct.

17 Q Did you elaborate on that any further at this
18 meeting and say, wait a second, she's coming out of OTS and
19 let me tell you what happened?

20 A No. I determined not to say anything.

21 Q You thought of saying it and determined not to
22 say it?

1 A I just didn't say it. Everything was happening
2 and, as I said, this thing took me by surprise, and I didn't
3 say it. I said she was part of a group of tough litigators.
4 That's all I remember saying about it.

5 MR. PEDOWITZ: He has also described, as you
6 know, at considerable length some other very significant
7 concerns that he had about what Mr. Altman was saying.

8 THE WITNESS: Remember he says this and these
9 things come into my head. I was concerned, as I said, about
10 the fairness and professionalism of the OTS in the past, but
11 my primary, what really I thought about at that point in
12 time was what I perceived to be the significant policy issue
13 for the Administration, which I was then currently facing,
14 or which certain people in the White House were facing in
15 connection with the Ricki Tiggert situation. That to me was
16 the overwhelming thing at that particular point, and how do
17 we deal with that.

18 If in fact Altman recused himself, as ultimately
19 he was to do and ultimately he can do if he wished to do it,
20 if he recused himself when there was no legal or ethical
21 obligation to do so, then this policy that I believe was an
22 important policy for the Administration, I was concerned

1 that it would be in shambles.

2 BY MR. CODINHA:

3 Q Let's talk about these things separately. You've
4 indicated your concerns and your alarm when you heard the
5 name Kulka and your response to that because of your
6 personal alarm ---

7 MR. PEDOWITZ: Alarm was your word.

8 BY MR. CODINHA:

9 Q Would you accept that you had a personal alarm?

10 A No. I had a concern. I think "alarm" is too
11 strong a word. I had a concern about the fairness and
12 professionalism of the OTS. I had a concern. I didn't have
13 any personal knowledge of Ms. Kulka, but I had a generalized
14 concern about the OTS and therefore any people who worked
15 with the OTS.

16 I had a very definite negative reaction on the
17 policy issue, which I had been dealing with currently at
18 that particular point in time, and what kind of precedent
19 this would set if somebody recused themselves if in fact
20 there was no legal or ethical obligation to do so. But
21 having said that, I did not tell Mr. Altman not to recuse
22 himself.

1 Q Now you indicated that Mr. Altman said he was
2 thinking of recusing himself.

3 A Considering recusing himself.

4 Q Do you recall that Mr. Altman used talking points
5 at that meeting?

6 A No, I don't recall that. He may have or he may
7 not have. I don't know.

8 Q Do you recall that Mr. Altman said at that
9 meeting that he had decided that he would recuse himself
10 from the decision-making process as Interim CEO of the RTC
11 because of his relationship with the President and Mrs.
12 Clinton. Do you recall him saying that?

13 A He did not say that. I don't remember him saying
14 anything about a relationship with the President and the
15 First Lady, and with respect to recusing himself what I
16 remember his saying is that he was considering recusing
17 himself or perhaps seriously considering recusing himself.

18 MR. CODINHA: I'll show you document T-153 which
19 may be of some use to you if you read just the bottom
20 bullet. If you read the header you'll see what it is and
21 then the bottom bullet, and that may help you or not, I'm
22 not sure.

1 (Exhibit T-153 was shown
2 to the witness.)

3 (Witness reviews document.)

4 THE WITNESS: I see the bottom bullet, and I
5 stand by what I testified.

6 BY MR. CODINHA:

7 Q When Mr. Altman finished speaking, were you the
8 next person who spoke?

9 A I believe so.

10 Q Now you had indicated I believe in your testimony
11 that the day before or a day or two before Ricki Tiggert had
12 been before the Senate Banking Committee I think and had
13 been pressed on this recusal issue. Mr. Sloan

14 A Correct.

15 Q So you had had some discussions with Mr. Lindsay
16 I believe you said at the White House.

17 A Correct.

18 Q Did you also have those discussions about the
19 recusal issue with the President of the United States in
20 connection with this recusal issue that was present with Ms.
21 Tiggert?

22 A No.

1 Q Did Mr. Lindsay indicate that he was sharing with
2 you the President of the United States' views on the recusal
3 issue, or was he only telling you his own views?

4 A I don't really know if the President of the
5 United States had thought about the issue personally.

6 Q And you do know that you hadn't discussed the
7 issue with him?

8 A I hadn't discussed the issue with the President.

9 Q Was this meeting the first meeting that you had
10 ever heard that Roger Altman was considering recusal?

11 A It was.

12 Q How long had you been spending talking to Mr.
13 Lindsay about the recusal issue involving Ms. Tiggert?

14 A I don't know how long. I had previously spoken
15 to Mr. Lindsay about this issue when this thing arose.

16 Q Was it an issue that you felt strongly about?

17 A Yes.

18 Q Was it an issue you might describe you felt
19 passionately about?

20 A I felt strongly about it. I believe people
21 should do their duty. I don't believe people should recuse
22 themselves unless they are legally or ethically obligated to

1 do so. I think just as a general principle and I believe as
2 a matter of Administration policy that should be the
3 Administration policy.

4 Q Did you mention to Mr. Altman after he had made
5 his statements that the Ricki Tiggert issue that was now
6 before the Senate, that in tandem with what he was saying
7 was going to be a very difficult problem for the
8 Administration?

9 A I did not say it to Mr. Altman. It was in my
10 mind, but I did not say it to Mr. Altman.

11 Q And did you purposely not say it to Mr. Altman?

12 A This happened very quickly, and I was surprised
13 by the whole discussion. I didn't have time to think
14 through all the implications. So I determined to say what I
15 described to you, and to say no more.

16 Q The statements that you made to Mr. Altman did
17 you make to him strongly?

18 A I didn't raise my voice, I didn't scream and I
19 didn't holler. I think I stated them frankly, and I mean
20 you can get their viewpoints, the other people at this
21 meeting, and in a relatively matter-of-fact fashion, even
22 for me in low-key fashion, although I don't know if low key

1 is a word that applies to me. But I think I did state them
2 in a matter-of-fact fashion in a calm, quite voice.

3 Q Now I believe you testified earlier that what Mr.
4 Altman had said was that this consideration of his recusal
5 would really have no effect on the RTC because he would be
6 strongly inclined to follow the recommendations of his
7 staff. Do you remember him saying that?

8 A Yes, and I think it may have been stronger than
9 that, that he would follow the recommendations of his staff.

10 Q Did you understand that whether Mr. Altman was
11 recusing himself or not, he was stepping out of the picture
12 as it applied to the decision-making process at the RTC with
13 respect to Madison?

14 A No, I don't think so. I understood exactly what
15 he said to me.

16 Q Respectfully, there is a difference between being
17 strongly inclined to follow the recommendations and to say
18 I'm already out of the picture and I've set up these other
19 people.

20 Q He didn't say I'm already out of the picture
21 though. What I remember him saying, to the best of my
22 recollection what he said is that he was strongly inclined

1 to follow the recommendations of the staff. That's what I
2 remember him saying.

3 Q Now with respect to what you've described as a
4 legal or ethical responsibility, was there any discussion of
5 the issue of the appearance of impropriety that Mr. Altman
6 raised on that day?

7 A Mr. Altman didn't raise any issue of the
8 appearance of impropriety.

9 Q He never said that, gee, it might just look bad
10 because I'm friends with the President and here I am making
11 decisions on their case?

12 MR. PEDOWITZ: Those are two different things.

13 MR. CODINHA: Let me take a step back.

14 BY MR. CODINHA:

15 Q So there is no discussion about the appearance of
16 impropriety?

17 A No. Not as contained in the ethics rules, no.
18 There was no discussion about the appearance of impropriety.

19 Q When Ms. Williams said words to the effect of
20 will the private lawyers be getting the same briefing we've
21 gotten, is that in substance what she said?

22 A The same briefing with respect to the Statute of

1 Limitations process, yes, that's the substance of what she
2 said.

3 Q Who were the private lawyers that you believed
4 she was referring to?

5 A Lawyers for the various private parties the RTC
6 was looking at, including the Clinton's, whose lawyer then
7 was David Kendall.

8 Q But you thought when she said that, you
9 interpreted that to mean all of the private lawyers who were
10 involved?

11 A Yes, I interpreted it to mean Kendall and other
12 private lawyers whose clients the RTC was looking at.

13 Q The piece of information about the possible
14 recusal of Roger Altman, did you understand that to be
15 public knowledge at that point?

16 A Obviously Congressmen were writing letters,
17 because a letter was written the next day, for example, the
18 Congressman Leach letter.

19 MR. PEDOWITZ: You mean what Mr. Altman had just
20 said to Mr. Nussbaum.

21
22

1 BY MR. CODINHA:

2 Q What Mr. Altman had just said to you, did you
3 understand that that was public knowledge at that time?

4 A No. I didn't think about whether it was public
5 knowledge or not. I presume it was not public knowledge.
6 Mr. Altman had not publicly announced, to my understanding,
7 that he considering recusing himself.

8 Q Did you understand that it was public knowledge
9 as to how the decision-making process would work as to who
10 would make the decision and that Mr. Altman would be
11 strongly inclined to follow the recommendations of the
12 staff?

13 MR. PEDOWITZ: Just answer the question.

14 THE WITNESS: Did I think that was public
15 knowledge?

16 MR. CODINHA: Yes.

17 THE WITNESS: That Mr. Altman would be strongly
18 inclined to follow the recommendations of staff? That
19 probably was not public knowledge either, although the
20 process, the Statute of Limitations process, the options,
21 the expiration date, the fact that Kulka and Ryan and
22 others, you know, were handling that process, I think that

1 public knowledge. I mean I'm trying to separate it, and
2 most of that was presumably public knowledge.

3 BY MR. CODINHA:

4 Q The way the Statute of Limitations would run is
5 really something that lawyers look at and deal with in their
6 everyday business, correct?

7 A All the time, correct.

8 Q And this wasn't any brilliant legal insights that
9 you were getting at this meeting, was it?

10 A No.

11 Q In fact, a lay person at that meeting would have
12 understood what they were being told as the options,
13 wouldn't they?

14 A Yes.

15 Q Now prior to the meeting that occurred, the
16 February 2nd meeting, were you aware that any official from
17 the Treasury had sought an ethical decision from their
18 Designated Agency Ethics Officer as to whether they could
19 have this meeting?

20 A I was not aware of that prior to the meeting. I
21 became aware of that, or at least I heard reports to that
22 effect subsequent to the meeting.

1 Q Does it surprise you that they received such an
2 opinion?

3 A I had no view. It doesn't surprise me or not
4 surprise me.

5 Q Did it appear to you to be the kind of meeting
6 that would require a Designated Agency Ethics Officer to
7 opine on whether it was appropriate or not?

8 A I didn't think about that issue, and I have not
9 thought about that issue.

10 Q Did you think about it from the terms of the
11 White House people who were there receiving the information?

12 MR. PEDOWITZ: Maybe we can sort of fix a time
13 frame and ask that question again.

14 MR. CODINHA: Right that day.

15 MR. PEDOWITZ: That day did he think what?

16 MR. ZIMROTH: You mean as it was happening?

17 MR. CODINHA: Yes, as it was happening did you
18 think about the ethical implications of the White House
19 receiving the information?

20 THE WITNESS: As it was happening when he turned
21 to the recusal issue, which was a surprise, as I indicated
22 earlier, the minute he started talking about it I realized

1 that we were dealing with a significant public policy issue
2 that the Administration had to deal with, whether or not
3 people not legally or ethically required to recuse
4 themselves should recuse themselves, and I understood
5 immediately that there was a significant issue for us which
6 would have to be dealt with in an appropriate fashion. I
7 wasn't sure totally how to deal with it, but I didn't think
8 there was anything illegitimate, and the discussion took me
9 by surprise, but illegitimate or unethical about having a
10 discussion about an issue which raises such important public
11 policy implications.

12 BY MR. CODINHA:

13 Q As Ms. Hanson left the meeting and you asked her
14 about Mr. Ryan and Mr. Kulka, how was it that you put that
15 question to Ms. Hanson, I mean why did you ask her that
16 question?

17 A Because I was just surprised that people were
18 appointed to fairly important positions, and it's true I
19 didn't know about every fairly important position perhaps
20 that necessarily was ever appointed, although I think I knew
21 about most, or virtually all, but I just hadn't the names.
22 I hadn't heard these particular names, and if I had heard

1 Kulka's name earlier I think it would have jogged something
2 in my mind because of the prior thing, but I just hadn't
3 heard it. I'm not saying it would have had any effect on
4 the process, or I don't know whether it would have had an
5 effect, but I just hadn't heard it, and that surprised me
6 that there was a moderately significant appointment that I
7 hadn't heard because all those appointments at sometime came
8 through my office.

9 Q When the meeting ended was anyone tasked by you
10 to do anything as a result of the meeting?

11 A No, I don't recall anyone being tasked to do
12 anything.

13 Q Was there to be any follow-up to the meeting that
14 you were aware of?

15 A No. The only thing I presumed was Altman would
16 get back to us. The way he left it was he was going to
17 consider the matter and I presumed at some point we would
18 hear a decision from Mr. Altman.

19 Q When you say Altman would get back to you ---

20 A He said I'm going to consider this matter. So I
21 presumed in the future we would hear one way or another what
22 he decided to do.

1 Q Did you feel there was any obligation from Mr.
2 Altman to get back to you to tell you what his decision was
3 going to be?

4 A I didn't feel there was any obligation, no.

5 Q Did you believe that Mr. Altman was receiving
6 pressure from the White House not to recuse himself?

7 A No, I did not believe he was receiving pressure
8 from White House not to recuse himself.

9 Q Do you believe Mr. Altman was receiving intense
10 pressure from the White House not to recuse himself?

11 A No, I don't believe that.

12 Q Did you at sometime become aware of a meeting
13 that took place on February 3rd at the White House?

14 MR. PEDOWITZ: A meeting about what?

15 MR. CODINHA: Between Mr. Altman and any White
16 House officials.

17 THE WITNESS: I don't believe I was aware of a
18 meeting that took place as of that time.

19 BY MR. CODINHA:

20 Q At some later point did you become aware that a
21 meeting occurred on February 3rd between Mr. Altman and
22 other White House officials?

1 MR. PEDOWITZ: Aside from what he heard from his
2 lawyers or questions that he has been asked by his lawyers.

3 THE WITNESS: If you put aside discussions with
4 my own attorneys, the answer is no, I'm not aware, and did
5 not become aware of a meeting Mr. Altman had in the White
6 House on February 3rd.

7 MR. PEDOWITZ: Did you actually define the
8 people.

9 BY MR. CODINHA:

10 Q Did you ever discuss with Mr. Ickes whether he
11 met with Mr. Altman?

12 A No, I don't believe so.

13 Q And, again, on February 3rd.

14 A No, I don't believe so.

15 Q Did you ever discuss with Ms. Williams whether
16 she met with Mr. Altman?

17 A I don't believe so.

18 MR. PEDOWITZ: Also on February 3rd.

19 MR. CODINHA: And again I'm referring only to
20 February 3rd meeting now.

21 BY MR. CODINHA:

22 Q Did you have any discussion with Mr. Eggleston

1 about whether he met with Mr. Altman on February 3rd?

2 A I don't believe so. I don't remember any such
3 discussion.

4 Q Did anyone get back to you that Mr. Altman had
5 decided not to recuse himself?

6 A I ran into Mr. Altman in the hallway of the West
7 Wing either on February 3rd or sometime shortly thereafter.
8 I don't remember when. I had a very brief 30-second
9 conversation with him, just he and I in the hallway sort of
10 standing outside my office alone in which he said to me he
11 had been thinking about the matter we had discussed and he
12 was still considering it, but he was inclined not to recuse
13 himself. He didn't think he was going to recuse himself.

14 Q I'm sorry, I missed the date when you think that
15 occurred.

16 A It was either on February 3rd or shortly
17 thereafter that week. I'm not positive of the date. I
18 don't know the exact date, but it was obviously after the
19 February 2nd meeting. It was either a day later or a few
20 days later.

21 Q When Mr. Altman had left the February 2nd meeting
22 and the meeting broke up did you continue meeting with Mr.

1 Mr. Lindsay about the subject of Mr. Altman's recusal?

2 MR. PEDOWITZ: I'm sorry, did you continue
3 meeting with?

4 MR. CODINHA: With Mr. Lindsay.

5 MR. PEDOWITZ: Mr. Lindsay wasn't at the meeting
6 on February 2nd.

7 MR. CODINHA: I'm sorry, when he had added him as
8 a person I had put that in.

9 BY MR. CODINHA:

10 Q Did you speak with Mr. Lindsay about the subject
11 matter of Mr. Altman's recusal after Mr. Altman had told you
12 that he may recuse himself?

13 A I remember speaking to Mr. Lindsay after the
14 February 2nd meeting, and I remember walking into Mr.
15 Lindsay's office and asking whether or not he had ever heard
16 Kulka's name or Ryan's name having come to the White House,
17 and Mr. Lindsay said no, he had never heard of their names
18 with respect to be appointed to positions in the RTC. And I
19 just said, well I just heard that he's now the Acting Deputy
20 Chief Executive Officer and Ellen Kulka is the General
21 Counsel, and I just wondered if you had heard about them,
22 and he said no, he had never heard those names. I remember

1 having that conversation with Mr. Lindsay.

2 At some point I did have a conversation with Mr.
3 Lindsay, but I don't recall it was then on February 2nd. I
4 think it was much, much later. This was after Mr. Altman
5 had already told me that he was inclined not to recuse
6 himself. I remember at some point I had a conversation with
7 Mr. Lindsay recusal as to the fact that on February 2nd that
8 we met with Mr. Altman and Mr. Altman said at that time that
9 he was seriously considering recusing himself, but that I
10 think was later in February. I don't remember for sure
11 those dates.

12 Q Do you recall whether you saw Mr. Lindsay on
13 February 2nd about Ryan and Kulka?

14 A Yes, I did.

15 Q Bearing in mind that you had had this significant
16 discussion with Mr. Lindsay about Ricki Tiggert and the
17 issue of recusal, is there a reason why you wouldn't have
18 discussed Mr. Altman's possible recusal with Mr. Lindsay
19 when it was still fresh in your mind?

20 A I don't remember. At some point I did discuss it
21 with Mr. Lindsay, but I don't remember discussing it at that
22 moment with Mr. Lindsay. I just don't remember. It's

1 possible that I did, but I just don't remember doing it. I
2 remember just asking about Ryan and Kulka, and I remember
3 thereafter, and this is the way my memory is, discussing it,
4 the fact that Altman was considering recusal himself. But I
5 don't remember discussing it at the same time. If Lindsay
6 says it happened at the same time, it's possible that it did
7 happen at the same time, but that's just not my memory.

8 Q Did you discuss the subject of Mr. Altman's
9 recusal with Mr. McLarty after Mr. Altman had told you that?

10 A No, I don't think so. I don't remember
11 discussing it with Mr. McLarty.

12 Q Did you discuss the subject of Mr. Altman's
13 possible recusal with the President of the United States
14 after Mr. Altman had told you that?

15 A I did not.

16 Q Did you discuss that issue with the First Lady of
17 the United States after Mr. Altman told you that?

18 A No, I don't recall discussing it with the First
19 Lady.

20 Q Did you have occasion to receive materials from
21 Ms. Hanson sometime after this February 2nd meeting?

22 A Yes.

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1 Q When was the next time you received materials?

2 A February 3rd.

3 Q And what took place?

4 A What took place on February 3rd is that I
5 received a call from Ms. Hanson. I ended up returning that
6 call later in the day on February 3rd. She told me that she
7 was faxing me, or had faxed me a letter that Treasury had
8 received, or Altman had received from Congressman Leach with
9 respect to this recusal issue that had been raised the night
10 before in which Congressman Leach was urging Mr. Altman to
11 consider recusing himself and that she was going to fax me
12 that letter along with the attachments to that letter.

13 She also told me that they were continuing to
14 research the recusal issue with Treasury to see if there was
15 any legal or ethical obligation for Altman to recuse
16 himself, and I said fine, you know, if there was such a
17 legal or ethical obligation he should recuse himself, and if
18 you're researching the issue, that's fine.

19 Indeed, I said if you want any help with the
20 research with the research I have a splendid person over at
21 the White House who everybody in the government basically
22 knows, all the ethics people in the government basically

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1 knows, Beth Nolan, who is a renowned and respected person in
2 this area and, you know, just a very good person of high
3 integrity, and if you want the people in Treasury, or the
4 person in Treasury who is researching this to contact her,
5 please feel free to have them do so.

6 Later that day I ended up calling Beth Nolan to
7 tell her that somebody from Treasury might call her to ask
8 for help with respect to this ethics research and that she
9 should give this help if she thought it appropriate to give
10 this help. I brought in in fact my own ethics person to
11 deal with this and to give advice with respect to this
12 thing.

13 In addition, and I'm describing now the telephone
14 conversation I had with Ms. Hanson, I said to Ms. Hanson
15 sort of at the end of the conversation after telling her to
16 have her person get in touch with Beth Nolan, I said, look,
17 if people are really worried about appearance of whether or
18 not there is an independent investigation being conducted,
19 one of the things you might consider is looking at the
20 charter of the Special Counsel who had then been appointed
21 because I believe he has civil jurisdiction, and one of the
22 things that we could consider doing is just even sending the

1 whole Statute of Limitations issue over to the Special
 2 Counsel for him to make whatever decision might be
 3 appropriate. That's something for you or other people to
 4 consider, but obviously it's up to you as to whether or not,
 5 or up to the appropriate authorities as to whether or not
 6 that should be done. So I said that to her in that
 7 telephone conversation, and that's all I remember about that
 8 telephone conversation.

9 Then I did talk to Beth Nolan later that day, or
 10 that evening basically, the evening of February 3rd to tell
 11 her that she might expect a call from somebody at Treasury.
 12 Later she told me she did get a call from somebody at
 13 Treasury and they worked together on researching this
 14 recusal issue.

15 Q Do you believe this call happened on February
 16 3rd?

17 A Yes, I did.

18 Q And you received the telephone call before you
 19 received the fax?

20 A She tried to reach me I think in the morning, but
 21 I didn't connect with her until sometime in the afternoon by
 22 telephone, and I don't remember when I received a fax,

1 whether it was before the call or after the call.

2 Q But you had the telephone call on the same day in
 3 which you received the fax?

4 A Yes.

5 Q Did you ask her to send you the fax, or did she
 6 just send it on her own?

7 A She sent it on her own.

8 MR. CODINHA: I would like to show you Exhibits
 9 X001130 through X1142, and also X001368 through X001372.

10 (Exhibits X001130 thru X1142
 11 and Exhibits X001368 thru X1372
 12 were shown to the witness.)

13 BY MR. CODINHA:

14 Q Do you recognize those?

15 A Yes.

16 Q What do you recognize them to be?

17 A The faxes I received from Jean Hanson on February
 18 3rd.

19 Q When you received the faxes did you read them?

20 A I don't know if I read every page through. I did
 21 read I believe Congressman Leach's letter. I don't know if
 22 I read every attachment to the letter. Everything else is

1 attachments, including the portion of the second fax.

2 They're all attachments to Leach's letter.

3 Q When you looked at the first page, X001131, did
4 you notice that it was dated February 3rd and it was to
5 Roger Altman as he was the Interim CEO of the Resolution
6 Trust Corporation?

7 A Yes.

8 Q Did it concern you that you were receiving a fax
9 from Treasury that dealt with Mr. Roger Altman in his
10 capacity as Interim CEO?

11 A No. I presume Congressman Leach, the normal
12 thing would be this letter would be a public letter.
13 Knowing how most Congressmen do this, my assumption would
14 have been that Congressman Leach would have released this
15 letter publicly at the time he sent it to Mr. Altman, and I
16 didn't think there was any problem in seeing the letter from
17 a Congressman from the Legislative Branch, you know, to
18 somebody in the Executive Branch. One, I believed it was
19 probably public, but even if it wasn't public, it certainly
20 concerned this public policy issue, this official issue that
21 I mentioned that I was somewhat concerned about, namely, the
22 issue of under what appropriate circumstances should

1 somebody recuse themselves, or is there an appropriate
2 circumstances for recusal if there is no legal or ethical
3 obligation to do so.

4 Q Had you heard that the letter, which is part of
5 Exhibit X001130 through 1142, had been released publicly
6 before you received it?

7 A I hadn't heard.

8 Q Did you notice on X001368 through 1372, did you
9 happen to look at that? It's part of the attachment. It's
10 this portion here. Did you look at that when you received
11 it?

12 MR. PEDOWITZ: Which?

13 MR. CODINHA: The second, the shorter of the two
14 faxes. It's only this one.

15 THE WITNESS: I don't think I read it. I read
16 the Leach letter. The attachments were documents that he
17 had gotten. I probably looked at the ---

18 MR. PEDOWITZ: Do you know?

19 MR. CODINHA: I'm really only asking about the
20 second attachment.

21 THE WITNESS: I don't remember really looking at
22 the second attachment very carefully, but I did know it was

1 an attachment to Leach's letter.

2 BY MR. CODINHA:

3 Q Did it appear to you to be confidential
4 information that had been attached to Leach's letter that
5 was from the Federal Home Loan Bank Board, if you will look
6 at the second to the last page and the last page?

7 A No, I didn't focus as to whether it was
8 confidential information from the Federal Home Loan Bank
9 Board. When I received this letter I assumed that, and this
10 is Leach ---

11 Q No, I understand it's Leach. My only question is
12 did you look at it and determine that it appeared to be
13 confidential information from the Federal Home Loan Bank
14 Board?

15 A No, I did not.

16 Q As a result of receiving this fax, did you do
17 anything with the fax?

18 A I think I sent it to Beth Nolan, or in some way I
19 got it to Beth Nolan at some point because I believed that
20 it was likely that a Treasury person probably would be
21 calling her to ask for help on the research on the recusal
22 issue. I believe I did that. I'm not positive.

1 Q Do you recall speaking with Mr. Altman again
2 later in the month following receiving this letter from Ms.
3 Hanson?

4 MR. PEDOWITZ: Later in the month of?

5 MR. CODINHA: Of February.

6 MR. PEDOWITZ: Now we're talking about after
7 February 3rd?

8 MR. CODINHA: After February 3rd when you had met
9 him did you speak to him?

10 MR. ZIMROTH: You said February 3rd when you met
11 him.

12 MR. CODINHA: Let's have one person talking, and
13 maybe I can put a question. Let me just try again.

14 BY MR. CODINHA:

15 Q When was the next time after February 3rd that
16 you had occasion to either meet with or speak to Mr. Altman?

17 A I only other time I remember speaking to Mr.
18 Altman in February was I think toward the middle or late
19 February when again I ran into Altman in the West Wing, and
20 he told me that they were contemplating nominating a
21 Washington lawyer named Larry Simons, who I really did not
22 know personally, to head the RTC because the Tate nomination

1 had previously fallen apart, and that he had hoped that
2 Simons, if he was nominated, could be confirmed quickly. I
3 remember that conversation. That's another 30 or 60-second
4 conversation with Altman. That's the only other
5 conversation I remember with Altman in late February.

6 I remember a conversation with either Eggleston
7 or Hanson in late February in which one of them told me, I
8 don't remember which one now, told me that Altman's term
9 would be expiring at the end of March, I believe it was the
10 end of March 1994, and that Altman either could not or would
11 not be renewed as Acting Head of the RTC even if no one had
12 been confirmed. So I remember that, having a conversation
13 with either Eggleston or Hanson with respect to that. I
14 think that's it. That's what I remember about additional
15 conversations in February.

16 Q I'm going to turn your attention back to the
17 February 2nd meeting with Mr. Altman that you've already
18 testified to today. At the time of that meeting you've just
19 described the procedures that the RTC would have to follow
20 were it to deal with the Statute of Limitations that was
21 running on February 28th. Do you recall at sometime during
22 the month learning that that issue had become moot?

1 A Yes.

2 Q When do you recall learning that?

3 A When it happened.

4 Q Around February 11th?

5 A Around February 11th, yes.

6 Q And it was mooted because the Statute of
7 Limitations got extended?

8 A Correct.

9 Q And that just resolved the issue and made it a
10 non-issue?

11 A That's correct. By February 11 this whole issue
12 was a non-issue.

13 Q Did you become aware at some point that Mr.
14 Altman was going to testify before the Senate Banking
15 Committee ---

16 MR. PEDOWITZ: Since we're moving to another
17 subject, would you mind taking a break for just a two
18 minutes or so?

19 MR. CODINHA: Not at all.

20 (Recess taken from 4:14 to 4:23 p.m.)

21 MR. CODINHA: Back on the record.

22 EXAMINATION (Resuming)

1 BY MR. CODINHA:

2 Q I think when I stopped I was asking whether at
3 sometime in February you became aware that Mr. Altman was
4 going to testify before the Senate Banking Committee. Do
5 you recall you became aware of that fact?

6 A Yes.

7 Q What were the circumstances under which you
8 became aware that he was going to testify?

9 A I just knew about it. It was in the newspapers
10 and people in the White House, Eggleston, who was working a
11 lot of Podesta now with respect to Whitewater communications
12 I'll call it, told me, I believe he told me that there was
13 going to be a Senate Banking Committee hearing, an oversight
14 hearing with respect to the RTC, which happens I think
15 regularly, once every six months or whatever it is, and
16 Altman would be testifying.

17 Q Were you aware that Mr. Altman had Q and A's or
18 questions and answers that were being prepared for him?

19 A No, I was not aware of that.

20 Q Were you aware that the White House was reviewing
21 the Q and A's for Mr. Altman?

22 A No, I was not aware of that.

1 Q Have you since become aware of that? Other than
2 by talking to your lawyers, have you become aware that the
3 White House was reviewing these Q and A's?

4 A No, I have not.

5 Q Did you observe Mr. Altman testify before
6 Congress?

7 A I was in Mexico.

8 Q I may be able to save myself a lot of time. For
9 how long a time were you in Mexico? When did you leave and
10 when did you come back?

11 A I believe I left on Wednesday or Thursday. When
12 did Altman testify?

13 Q The 24th.

14 A He testified on the 24th, but I don't know when
15 that was.

16 MR. MAZUR: Thursday.

17 THE WITNESS: Thursday. I believe I left on
18 Wednesday, the 23rd, and I did not return until the 27th or
19 the 28th. The 27th I believe I returned to Washington.

20 BY MR. CODINHA:

21 Q All right. And when you returned did you become
22 aware of what Mr. Altman's testimony before the Senate had

1 been?

2 A Yes.

3 Q How did you become aware of that?

4 A What I recall is Cliff Sloan walking into my
5 office when I returned, the first day I was back, which I
6 think was a Monday, I think that's the 28th, yes, Monday the
7 28th, and Cliff said to me, you know, something to the
8 effect in substance again, this is the gist and I'm not
9 giving you exact words, that Mr. Altman had testified before
10 the Senate, which I had known, and that he wanted me to look
11 at certain portions of the testimony. He handed me a
12 transcript and I looked through it, and he said he was
13 somewhat concerned that this testimony may not be complete
14 because, there are two things I remember.

15 I don't remember the exact testimony now, but two
16 things. One is Mr. Altman said there was only one contact,
17 the February 2nd meeting that he testified to about, and of
18 course there had been other contacts, namely, September 29th
19 and October 14th, I think contacts like that. And also
20 Altman when he testified about the February 2nd meeting in
21 some testimony did not mention the recusal issue, but just
22 talked about Statute of Limitations process or procedures.

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1 So he said he wondered whether that could be
2 considered incomplete, and I looked and I said, yes, there
3 is a real issue with respect to that, you know, and let's
4 think it through and let's talk it through, and let's get
5 Neil and others. And sure enough we triggered then a series
6 of meetings, Cliff and I, we triggered a series of meetings,
7 which were held basically in Podesta's office, most of them,
8 and some may have been in my office which various people
9 attended.

10 There were a series of meetings on Monday and
11 Tuesday of that week, the 28th and the 1st I guess of March,
12 Monday and Tuesday of that week a series of meetings
13 participated in, or attended by rather myself, Podesta,
14 Sloan, Eggleston, Klein, and not every meeting was attended
15 by all these people, Ickes, Lindsay. We had a number of
16 different meetings, and the subject of the discussion was is
17 this testimony complete and accurate, and if we believe
18 there is a real issue about that what should we do.

19 Do you want me to go further and describe it? I
20 mean that's what happened that week.

21 MR. PEDOWITZ: That's not all that happened that
22 week.

1 THE WITNESS: No, it's not all that happened that
2 week, but a series of meetings was set into motion, as I
3 just discussed.

4 BY MR. CODINHA:

5 Q How many meetings do you recall?

6 A I don't remember, a number of meetings.

7 Q Did Mr. Altman participate in those meetings?

8 A No, Mr. Altman didn't participate in these
9 meetings. This is meetings just of White House people. We
10 had a discussion back and forth at these meetings, and let
11 me give you the discussion.

12 Q That's what I was going to ask. Tell me who said
13 what to whom.

14 A I don't remember who said what to whom in these
15 meetings, it was a series of meetings, but I do remember the
16 issues being discussed.

17 Issue, is Altman's testimony accurate when he
18 says that he only knows about one contact, namely, the
19 February 2nd contact. Well we talked back and forth, and
20 maybe that's Altman did know about. So maybe it is
21 accurate. Maybe he didn't know about the prior meetings
22 with Hanson. We didn't testify. Altman testified. On the

1 other hand, should we inform Roger that, you know, this
2 testimony could be considered incomplete.

3 Issue No. 2, not mentioning the recusal
4 discussion with respect to the February 2nd meeting. Well
5 he talked about, we discussed among ourselves, he talked
6 about how he discussed the Statute of Limitations process or
7 procedures. Maybe in his head this was encompassed within
8 the term "process" or "procedures." That's an argument one
9 can make that testimony was sufficiently complete. On the
10 other hand, we can see somebody taking a contrary position,
11 that he should mentioned explicitly that he raised this
12 issue of recusal which, as I indicated, was an important
13 policy issue.

14 The upshot was we felt that there was a
15 significant issue, or one could raise a significant issue as
16 to whether or not the testimony was complete. So we made a
17 determination, we sort of unanimously agreed after kicking
18 it around back and forth, that Altman should be called and
19 told that we had discussed these issues and that they were
20 issues.

21 Podesta was asked to call Altman and Podesta was
22 the one who did call Altman with respect to this thing, and

1 I wasn't on the Podesta/Altman call. But Podesta called and
2 conveyed our thoughts, or conveyed the discussions we had as
3 to whether or not his testimony with respect to the number
4 of contacts and with respect to the description of the
5 February 2nd meeting could be considered complete and asked
6 him to consider what he should do. And I believe -- well I
7 don't want to say what I believe. I mean Podesta can
8 describe the conversations he had with Altman.

9 Q How was it decided that Mr. Podesta should be the
10 one who made the call?

11 A Because Mr. Podesta and his team, Todd Stern and
12 Neil Eggleston from my staff, were really the ones who were
13 now dealing with a lot of Whitewater and Whitewater related
14 issues in the White House.

15 Q With respect to the information contained in the
16 testimony, did you become aware at or around March 2nd that
17 Mr. Altman was going to expand the record and make
18 additional testimony by letter?

19 A Yes. I became aware that subsequent to the
20 telephone call that our meetings triggered that Altman,
21 after discussing it with his own people, determined to
22 expand the record and to write a letter or a series of

1 letters to the Senate Banking Committee expanding on his
2 testimony.

3 Q Did you become aware of the Altman letter writing
4 campaign, this series of letters?

5 A Well I wouldn't characterize it as a campaign. I
6 became aware that Altman wrote a number of letters to the
7 Committee with respect to further elaborating upon his
8 testimony.

9 Q Did you review the March 2nd letter from Mr.
10 Altman at or around the time it was sent?

11 A I don't remember whether I did or not. I may
12 have. I don't remember.

13 MR. PEDOWITZ: Is the question whether he
14 reviewed it before it was sent?

15 MR. CODINHA: Well I was going to say at or
16 around the time it was sent, and I'll ask him whether he
17 reviewed it before.

18 THE WITNESS: Well I certainly didn't review any
19 letter of Altman before it was sent. I did see letters of
20 Altman after they were sent. I don't remember which of the
21 letters I saw after they were sent. I saw one or more of
22 the letters.

1 BY MR. CODINHA:

2 Q I'll show you, and I'm now referring to the Semi-
3 Annual Report of the Resolution Trust Corporation, Thrift
4 Depositor Projection Oversight Board, 1994, which was held
5 on February 24th, 1994, and I'll show you the March 2nd,
6 1994 letter, which is on page 336. Did you see that letter
7 at or around the time it was written?

8 (Witness reviews document.)

9 A I saw the letter after it was written.

10 Q When you saw the letter did you believe that it
11 solved the issue of expanding the testimony in a
12 satisfactory fashion to the issues that you had raised?

13 A I was satisfied that the White House had done the
14 correct thing by advising Mr. Altman with respect to all the
15 open issues we felt existed. This was not the only one.
16 The other issue was of course the issue with respect to the
17 recusal discussion. My personal preference would have been
18 that he also explicitly disclose that to the Senate
19 Committee, which ultimately he ended up doing.

20 Q And when you say "he," you're referring to Mr.
21 Altman?

22 A Mr. Altman, yes.

1 Q The instructions that were given to Mr. Podesta
2 were to call Mr. Altman and tell him about the two issues,
3 the issue, one, about the contacts, and the issue, two,
4 about the recusal issue?

5 A Yes.

6 Q Before Mr. Podesta called did the White House
7 attempt to make some determination of how many contacts
8 there had been so that Mr. Altman could be informed about
9 them?

10 A I don't recall. I just don't recall that.

11 Q Well you listed at least three today, which were
12 the September 29th meeting, the October 14th meeting and the
13 February 2nd meeting.

14 A Yes.

15 Q Do you recall whether anybody mentioned the
16 February 3rd meeting at the White House?

17 A I don't recall that meeting being mentioned.

18 MR. PEDOWITZ: He has testified that he did not
19 know about the February 3rd meeting.

20 MR. CODINHA: I just asked if anybody mentioned
21 it at the time.

22 MR. PEDOWITZ: I understand.

1 BY MR. CODINHA:

2 Q I would like to you show you the letter of March
3 3rd, which is on page 337. Did you see that letter at or
4 about the time it was written?

5 (Witness reviews document.)

6 A I believe I saw this letter after it was written.
7 I have no real recollection of this letter, but I believe I
8 saw it after it was written. But with respect to this
9 letter I'm not positive. I know I remember seeing the March
10 2nd letter, but I'm not positive I saw the March 3rd letter.

11 Q Now looking at the March 3rd letter, did you
12 believe the March 3rd letter satisfied what the White House
13 had raised as concerns?

14 MR. ZIMROTH: Did you or do you?

15 MR. CODINHA: I'm sorry, do you, because he
16 doesn't remember whether he saw it at the time.

17 THE WITNESS: It's hard for me to make judgment
18 on his letter. It's his testimony and I don't know what's
19 in his head or his interpretation. I never talked to him
20 about that. I mean if it's in his head that recusal was
21 adequately covered by what he testified, well, you know,
22 that's his judgment. My judgment would have been lay it

1 out, lay out specifically that we discussed that the recusal
2 issue was raised, you know, there is nothing to be ashamed
3 of, it was a totally proper discussion. It involves, as I
4 indicated earlier, an important policy issue and there is no
5 reason not to lay it out. And we'll get to a letter
6 eventually where I think he mentions it, right?

7 MR. CODINHA: I hope.

8 BY MR. CODINHA:

9 Q I would like to show you the letter of March
10 11th, 1994 on page 338. Did you see the March 11th letter
11 at or about the time it was written?

12 (Witness reviews document.)

13 A I don't recall seeing the March 11th letter. You
14 have to remember I resigned as Counsel to the President on
15 March 5th. Now I was still in the White House and I was
16 still functioning, but I don't think I was in the mood to
17 read a lot of letters from Roger Altman to Senator Riegle.
18 Now I was still functioning and I was still Counsel, and I
19 really was working, I was working full days on this issue,
20 but on this issue already a lot of this had been
21 transferred, because of the brouhaha a lot of this had been
22 transferred to Klein who was dealing with a lot of these

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1 things. So I don't really remember seeing the March 11th
2 letter. I had heard about another letter I guess, but I
3 don't remember sitting down and see it, and a lot of this
4 stuff had been in any event, you know, Klein was doing a lot
5 of this with Eggleston and with Sloan and other people in
6 the office. So the answer is I don't remember seeing that
7 one.

8 Q Have you had a chance to read that letter right
9 now?

10 A Yes, I read the letter.

11 Q One of the things he talks about in that meeting
12 is that for the first time he's mentioning recusal, but he's
13 mentioning it in his second full paragraph.

14 A No. March 11th?

15 Q I think.

16 A No.

17 Q In the second full paragraph: "One or two days
18 after my meeting there was a very brief discussion on the
19 issue of recusal."

20 A Oh, I'm sorry, yes. I thought it was in another
21 letter.

22 MR. PEDOWITZ: You were probably looking at the

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1 wrong letter.

2 MR. CODINHA: I'm talking about the March 11th
3 letter.

4 THE WITNESS: Oh, on the issue of the recusal one
5 or two days after the February 2nd meeting.

6 BY MR. CODINHA:

7 Q That's what he says in his letter. Then the next
8 paragraph is the one I really want to ask you about where he
9 says: "The purpose of both meetings was to provide
10 notification. At neither meeting did I see advice or was
11 advice given."

12 Your testimony today would appear to be that you
13 gave him some advice on the issue of recusal.

14 A No. I told him it was up to him. No, I didn't,
15 and let's be clear.

16 Q Well that's what I'm asking you.

17 A Let's be clear. I said to him three things, and
18 I don't think it really was in the nature of advice.

19 One is that I believed that if there was a legal
20 or ethical obligation to recuse yourself you should do so.
21 Now I don't think he considered that advice. I mean I think
22 that goes without saying, and I think I'm just reiterating

1 something that, you know.

2 No. 2, what I said to him was that he should
3 consider whether or not to recuse himself if there was no
4 legal or ethical obligation to do so, and I don't think that
5 necessarily falls in the category of advice, although I
6 don't want to argue semantics here.

7 No. 3, I said whatever decision you make, it's
8 for you and you along to make with respect to this issue.

9 I can't purport to state what he means when he
10 says that in either meeting did I see advice nor was it
11 given. I think what he means is that in either meeting did
12 I seek instructions nor was it given. He didn't seek an
13 instruction nor was an instruction given to him. Perhaps
14 that's what he means, but that's his letter and he'll have
15 to explain what he means, not me.

16 Q And just for a sense of completeness, there is a
17 letter of March 21st on page 339. Did you see that letter
18 at or about the time it was written, if you can recall.

19 (Witness reviews document.)

20 A I don't remember seeing this letter. I do
21 remember hearing that he did write a letter in which he
22 mentioned that the subject of the recusal was discussed or

1 was raised at the February 2nd meeting, and this obviously
2 is that letter, but I don't remember seeing that letter.

3 Q In the last paragraph of March 21st letter
4 beginning "The night before my February 24th testimony," he
5 refers to bumping into you, and he says that you told him
6 the Administration would soon be submitting its nominee for
7 the permanent RTC Head. Does that refresh your memory on
8 what occurred?

9 A Well we didn't bump into each other the night
10 before his testimony, unless he was in Mexico with me, which
11 I don't think he was. We didn't bump into each other the
12 night before his testimony. That's where I was the night
13 before his testimony, in Mexico.

14 I do recall, and I think this is what he's
15 referring to, but it's not quite the way I remember it, I do
16 recall, as I indicated earlier a conversation with him
17 sometime late in February before I left for Mexico obviously
18 in which I believe he told me that we would probably be
19 going forward with the nomination of this Washington lawyer,
20 Larry Simons, to be the Head of the RTC and he hoped that
21 the confirmation process could be concluded speedily. That
22 may be the conversation he's alluding to, and I remember

1 such a conversation, but I don't remember it the way, you
2 know, he puts it in this letter.

3 MR. PEDOWITZ: Could we just indicate the pages.

4 MR. CODINHA: I think I already have. Of the
5 hearing book they're on pages 336, 337, 338 and 339, and
6 I've identified them by the date.

7 MR. PEDOWITZ: It would be helpful if those could
8 be attached to the transcript.

9 MR. CODINHA: You really want a fat transcript.

10 BY MR. CODINHA:

11 Q At sometime in February of 1994 did you become
12 aware of a lawyer by the name of Jay Stephens?

13 A Yes.

14 Q When in February of 1994 did you become aware of
15 Jay Stephens?

16 A I had heard of Jay Stephens in 1993.

17 Q Did you become aware of Jay Stephens with respect
18 to anything to do with Madison or Whitewater in 1993?

19 A I became aware ---

20 MR. PEDOWITZ: He just said with respect to 1993
21 did you become aware of Stephens in connection with
22 Whitewater or Madison.

1 THE WITNESS: In 1993?

2 MR. CODINHA: Yes.

3 THE WITNESS: No.

4 BY MR. CODINHA:

5 Q When did the name Jay Stephens and Madison and
6 Whitewater come together for you?

7 A Sometime in early or middle February, probably
8 after the February 2nd meeting, but I don't remember if it
9 was after the February 2nd meeting. I'm not sure. Yes, it
10 was after the February 2nd meeting. Sometime early in
11 February I believe I became aware of Jay Stephens in
12 connection with Madison and Whitewater.

13 Q Now Jay Stephens had been the former U.S.
14 Attorney for the District of Columbia ---

15 A Correct.

16 Q --- under a Republican Administration.

17 A Correct.

18 Q And he had been removed from office when his term
19 expired when the new President came in; is that what
20 happened?

21 A He along with all the U.S. Attorneys, you know,
22 were asked to submit their resignations, which would then be

1 accepted by the Department of Justice as the Department of
2 Justice thought appropriate. Some U.S. Attorneys stayed on
3 for a long time and others left a little earlier. Some U.S.
4 Attorneys who I have a lot respect for stayed on for a long
5 time and others left somewhat earlier.

6 Jay Stephens didn't seek to stay on, and once he
7 received his letter he resigned with a blast to the
8 Administration and a blast to the Attorney General and the
9 Department of Justice and to the Administration generally
10 accusing them of forcing him out of office because of the
11 Rostenkowski investigation and then promptly announcing that
12 he has decided to run for Senate from Virginia as a
13 Republican candidate. That's what I remembered about Jay
14 Stephens in 1993.

15 Q When did you hear about Jay Stephens in 1994 as
16 it related to Madison or Whitewater?

17 A Neil Eggleston walked into my office one day and
18 says, guess what, and I said what, and he says, again this
19 is the gist and not the substance, he says the RTC has
20 retained Jay Stephens to handle the Statute of Limitations
21 investigation, to handle the civil investigation involving
22 Madison, Whitewater, the Clinton's and various other people.

1 He's going to be their lawyer, their investigator. They've
2 gone out and hired Jay Stephens. They've gone out and hired
3 his law firm, Pillsbury, Madison & Sutro, but Jay Stephens
4 was the person in charge of the case.

5 And I just looked at Eggleston and I started
6 laughing. I said it's just so nonsensical and so ridiculous
7 that they would go out and hire a, you know, bitter
8 political opponent of the Administration who accused the
9 Administration of railroading him out of office because of
10 its relationship to a very sensitive pending investigation.
11 I just laughed and I said it's ridiculous, it's silly, it's
12 funny in sort of a perverse way, but there is nothing we can
13 or are going to do about it, and Eggleston agreed with me,
14 we're not calling anybody up, we're not complaining and
15 we're not doing anything.

16 Q Was there some consideration about calling
17 somebody up?

18 A No. If they went out and hired him, they went
19 out and hired him. No, there was no consideration. I just
20 said we're not calling up and we're not doing anything.

21 Q Did Mr. Eggleston suggest that you call somebody
22 up?

1 A No. He agreed with me that this was the right
2 thing to do, not to do anything.

3 Q Was that on or about February 18th that you got
4 that information?

5 A Yes, something like that. It was the middle of
6 February. You know, you say on about February 18th, and I
7 don't know the date, but my memory is mid February.

8 Q Do you what Mr. Eggleston's source of information
9 was with regard to the RTC had hired Mr. Stephens?

10 A I don't know. Ultimately it was in the
11 newspapers, but I don't know if that was the source.
12 Ultimately it was in the Legal Times I think or other
13 newspapers.

14 Q Did you have any conversations with Mr. Ickes
15 about the retention of Jay Stephens to handle the Madison
16 matter?

17 A I don't recall. It's possible. It's more likely
18 I discussed with Lindsay, but I don't remember. I might
19 have discussed it with one or two other White House people,
20 and Ickes could have been one of them, but I just don't
21 remember.

22 Q Did you have any conversation that you recall

1 with Mr. Stephanopoulos about the hiring of Stephens?

2 A I don't believe I ever talked to Stephanopoulos.
3 I don't remember. I don't remember any conversation with
4 Mr. Stephanopoulos about the hiring of Stephens. Again it's
5 possible. The reason I say that is the White House is a
6 small, intimate place. There is only a dozen people or so
7 at the senior level who work together in close quarters in
8 the West Wing and, you know, we walk into each other's
9 offices all the time, and if something is on our mind we
10 tell the other person. So a conversation, you know, it's
11 possible for me to walk into Stephanopoulos' office and say
12 this is ridiculous, look what they did, but I don't remember
13 such a conversation and I don't believe it took place.

14 Q Did you have any conversation with the President
15 of the United States about the hiring of Stephens?

16 A No.

17 Q Did you become aware at some point that Mr.
18 Stephanopoulos had called Mr. Steiner to complain about the
19 hiring of Mr. Stephens?

20 A From newspaper articles or magazine articles
21 after it occurred.

22 Q Did you become aware that in the call to Mr.

1 Steiner Mr. Stephanopoulos had suggested that Mr. Stephens
2 be fired?

3 A I saw a media report to that effect, but I never
4 discussed the conversation with Mr. Stephanopoulos. That
5 conversation, if it took place, apparently took place while
6 I was in Mexico. I was gone. I was out of the White House,
7 and that was the time I know that Altman recused himself
8 while I was in Mexico, and then a number of conversations
9 took place. When I say that I mean I read about a number of
10 conversations having taken place, but I wasn't around for
11 that four-day period.

12 MR. PEDOWITZ: So it's also clear, and I would
13 like the record to be clear about this, when you heard about
14 this conversation you had already resigned prospectively as
15 White House Counsel, correct?

16 THE WITNESS: Yes. I heard about these
17 conversations after March 5th, 1994. I resigned on March
18 5th, Saturday, March 5th.

19 BY MR. CODINHA:

20 Q The Committee has evidence that the conversations
21 took place around February 25th, if not on February 25th.

22 A I understand that, but I was out of the country

1 then and I didn't hear about them after I came back.

2 Q Did you ever talk to Mr. Stephanopoulos about
3 that conversation?

4 A No, I never did. The first time I heard about
5 them I had already resigned as Counsel. I mean I still was
6 in the White House, but I had already resigned as Counsel.

7 Q I understand. The Committee has developed
8 evidence that Mr. Ickes and Mr. Stephanopoulos may have had
9 a telephone conversation with Mr. Altman on the 25th. Are
10 you aware of that conversation?

11 A Again I was out of the country. I've read press
12 reports about those conversations, but I was out of the
13 country.

14 MR. PEDOWITZ: And again you first heard about
15 that conversation ---

16 THE WITNESS: After I resigned.

17 BY MR. CODINHA:

18 Q Have you ever had any conversation or have you
19 heard from your counsel that it was reported that Mr. Ickes
20 and Mr. Stephanopoulos asked Mr. Altman whether Mr. Stephens
21 could be fired?

22 A No. I don't know what they said.

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1 Q Have you ever had any conversations with Mr.
2 Ickes about that conversation?

3 A No.

4 Q Have you ever had any conversations with Mr.
5 Stephanopoulos about that conversation?

6 A No.

7 Q Did you discover when you returned from Mexico
8 that Mr. Altman had recused himself from the Madison matter?

9 A Yes.

10 Q What was your source of information that Mr.
11 Altman had recused himself from the Madison matter?

12 A Well it was in the newspapers. My original
13 source that he had recused himself, there was a newspaper
14 story to that effect. I heard when I returned to the White
15 House that he had recused himself, and my best memory is
16 that I was told probably by Neil Eggleston about the
17 recusal, and I was told he recused himself in a conversation
18 with Howell Raines, the Editorial's Editor of the New York
19 Times, that he told Raines in that conversation that he was
20 recusing himself. That was the first that he told anybody
21 that he was recusing himself.

22 Q Did you have a discussion about Mr. Altman's

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1 recusal with the President of the United States?

2 A No. I did not.

3 Q Did you have a discussion about Mr. Altman's
4 recusal with Mr. Altman?

5 A No. I didn't talk to Mr. Altman at that point in
6 time, no.

7 Q Have you ever had a discussion with Mr. Altman
8 since you learned that he had recused himself about the
9 subject of his recusal?

10 A No, I've never discussed Mr. Altman's recusal
11 with Mr. Altman since he recused himself.

12 Q I'm sorry, just for the record when did you
13 resign as Counsel to the President?

14 A March 5th, 1994 effective April 5th, 1994.

15 MR. CODINHA: I have no further questions at this
16 time.

17 You may inquire. Well we've agreed to suspend.
18 (Discussion off the record.)

19 (A recess was taken at 5:18 o'clock p.m. during
20 which it was decided among the parties to resume the
21 deposition of Bernard W. Nussbaum at 9:00 a.m., Sunday, July
22 24, 1994 in the same location.)

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I have read the foregoing pages
through ,inclusive, which
contain a correct transcript of
the answers made by me to the
questions therein recorded.
Signature is subject to
corrections.

BERNARD W. NUSSBAUM

* * * * *

I, , Notary Public in
and for the , do hereby certify
that I am notarizing and witnessing signature for the
Deposition of BERNARD W. NUSSBAUM on this day of
, 1994.

Notary Public in and for the

My Commission expires

* * * * *

CERTIFICATE OF NOTARY PUBLIC & REPORTER

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I, MARY C. SIMONS, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn; that the testimony of said witness was taken in shorthand and thereafter reduced to typewriting by me or under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and, further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.


Notary Public in and for the
District of Columbia

My Commission Expires AUGUST 14, 1994

**DEPOSITION OF BERNARD W. NUSSBAUM
IN RE: S. RES. 229**

VOLUME II

SUNDAY, JULY 24, 1994

**U.S. SENATE,
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
*Washington, DC.***

Deposition of BERNARD W. NUSSBAUM, called for further examination pursuant to agreement by counsel, at 9:10 a.m. in the Dirksen Senate Office Building, Room SD-538, before JULIE BAKER, a Notary Public within and for the District of Columbia, when were present:

J. WILLIAM CODINHA, Esq.

Majority Special Counsel

BETH O'NEILL MALONEY, Esq.

Majority Counsel

MICHAEL CHERTOFF, Esq.

Minority Special Counsel

JOSEPH G. BRAUNREUTHER, Esq.

Minority Deputy Special Counsel

RAYMOND NATTER, Esq.

Minority General Counsel

JAMES C. WILSON, Esq.

Minority Counsel

Committee on Banking, Housing, and Urban Affairs

U.S. Senate

On behalf of the Committee.

LAWRENCE B. PEDOWITZ, Esq.

ROBERT B. MAZUR, Esq.

VINEET BHATIA, Esq.

Wachtell, Lipton, Rosen & Katz

51 West 52nd St., New York, NY 10019-6618

PETER L. ZIMROTH, Esq.

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399 Park Ave., New York, NY 10022-4690

On behalf of the Deponent.

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CERTIFIED QUESTION, PAGE 100, LINE 11.

1 PROCEEDINGS

2 Whereupon,

3 BERNARD W. NUSSBAUM

4 resumed the stand and, having been previously duly sworn,

5 was examined and testified further as follows:

6 EXAMINATION (Continued)

7 BY MR. CHERTOFF:

8 Q We're on the record. We're resuming the
9 deposition of Bernard Nussbaum.10 Mr. Nussbaum, you're still under oath. You
11 understand that?

12 A I understand.

13 Q And just to refresh you, I am representing -- I'm
14 the Republican special counsel in this matter. My name is
15 Michael Chertoff. I may be joined by someone else who is
16 working on the Republican side.

17 A Yes, I'm aware of that.

18 Q Let me direct your attention to document N000033,
19 which is a copy of your February 22, 1993 memorandum for
20 White House staff. Do you have a copy of this?

21 A I believe I do.

22 Q It might be useful if you bring a copy out.

4

1 Actually, it might be useful if you brought your copy of
2 the successive memos.

3 A Yes.

4 Q Let me direct your attention to N34 which is
5 page 2 of your memo of February 2nd. In the second
6 paragraph the sentence appears at the end of the paragraph
7 "White House staff members should avoid even the mere
8 appearance of interest or influence."9 Did you see that sentence at the time that you
10 signed off on this memorandum?

11 A Yes.

12 Q Are you familiar with the term "appearance of
13 interest or influence"?

14 A Yes.

15 Q Do you regard that as different than the actual
16 exercise of influence?

17 A Yes.

18 Q And you understand that there's an ethical
19 requirement that one avoid the appearance of interest or
20 influence; correct?

21 A Yes.

22 Q At the time you prepared or you were directed

5

1 that these memos be prepared, were you familiar with a
2 matter that had arisen in the context of an RTC
3 investigation sometimes referred to as Silverado?

4 A Was I aware of what?

5 Q Of a controversy that had arisen concerning a
6 contact between the White House and an officer of the
7 Treasury Department in connection with a matter sometimes
8 referred to as Silverado.

9 A Which contact are you referring to?

10 Q Were you familiar with an episode in the Bush
11 Administration in which there had been criticism of the
12 FDIC general counsel for having a contact with the White
13 House counsel concerning a savings and loan which was being
14 examined in which the president's son was a board member?

15 A I have a recollection of having heard about that
16 event. This is Boyden Gray, White House counsel?

17 Q Correct.

18 A Being in communication or in contact with --

19 Q The FDIC general counsel Alfred Burn.

20 A With the FDIC general counsel Alfred Burn. I
21 remember at some point -- I don't remember when -- hearing
22 about that fact.

6

1 Q Did you hear about that before you assumed office
2 as counsel to the president?

3 A I don't recall whether I did or didn't.

4 Q Did you talk to Mr. Gray before you assumed
5 office or in the early stages of your holding office as
6 counsel to the president?

7 A Did I talk to Boyden Gray?

8 Q Yes.

9 A Yes, I did.

10 Q Did he ever tell you or advise you to be careful
11 about the issue of contacts between the White House and the
12 agencies where the president or a member of the president's
13 family might have an involvement in a particular matter?

14 A I don't recall whether he did or not. He may
15 have. He may not have. I don't remember whether he did or
16 not, but I certainly agree with that sentiment.

17 Q At the time, either before you took office as
18 White House counsel or in the first six months of holding
19 the office of White House counsel, did you ask that anybody
20 take a look at the issue of the contact that had occurred
21 during the Bush Administration between Mr. Gray and the
22 FDIC general counsel to see whether that matter required

7

1 any policymaking on the part of the White House counsel's
2 office regarding contacts in the Clinton Administration?

3 A I don't recall asking anybody to take a look at
4 that situation.

5 Q Now, on page 3, which would be N35 of your
6 memorandum of February 22nd, you list a series of agencies
7 of the executive branch which have significant regulatory
8 or adjudicatory functions; correct?

9 A Yes.

10 Q And the sentence that begins before the list
11 reads as follows: "Accordingly she should not be contacted
12 with respect to the exercises of those functions without
13 prior clearance from the counsel's offices (which clearance
14 will generally not be given for adjudicatory actions and
15 will generally be considered only on a case-by-case basis
16 for regulatory actions.)"

17 You understand adjudicative actions which involve
18 the adjudication of particular matters?

19 A Yes.

20 Q And regulatory actions in contrast would be
21 actions that involve regulatory policy making of a more
22 general nature; correct?

8

1 A Yes.

2 Q Was it your understanding that contacts regarding
3 adjudicative actions involving specific cases were contacts
4 that should be regarded as being much more sensitive?

5 A Yes.

6 Q And therefore, your general directions to people
7 in the White House was that clearance would generally not
8 be given on adjudicative actions; correct?

9 A That's correct.

10 Q The list that is contained on this page does not
11 involve the RTC; correct?

12 A The list that's given on this page does not
13 contain the RTC, that's correct.

14 Q But you continue in the next sentence to state
15 that this list is merely illustrative; correct?

16 A Yes.

17 Q Your understanding was that the principles that
18 were applicable to these agencies would apply to any other
19 agencies that would be acting in an adjudicative fashion;
20 correct?

21 A Yes.

22 Q And the purpose of having a restriction on

1 contacts concerning particular adjudicative actions was to
2 avoid the appearance of interference; correct?

3 A Was to avoid the fact of interference or the
4 appearance of interference but to take into account the
5 proper understanding of the appearance standard. You have
6 an understanding, I presume, of the appearance standard.

7 Q My understanding is not what's relevant. It's
8 your understanding. Do you understand the appearance to go
9 further in restricting contacts than the mere basic
10 requirement that one not actually behave in a fashion that
11 would influence decision improperly?

12 A Yes, I think it goes further to some extent.
13 Yes, it goes further than that.

14 Q You testified yesterday, I believe, that in your
15 mind there is an analogy between the way a decisionmaker in
16 the executive branch should treat the matter of appearances
17 and ethical restrictions on contacts with the way a judge
18 treats the issue of his own recusal; correct?

19 MR. PEDOWITZ: Can we have that question read
20 back, please.

21 MR. CHERTOFF: Let me withdraw the question.

22 BY MR. CHERTOFF:

1 Q In your mind considering the question of whether
2 a matter is -- there's an ethical requirement either
3 because of an actual improper interference or because of an
4 appearance of an impropriety, in your mind, that issue
5 arises analogically in the way judges treat the matter of
6 recusal; correct?

7 A I think there are analogies, yes.

8 Q And in fact, you testified yesterday that you
9 specifically considered that analogy in February 1994 when
10 the issue of recusal of executive branch appointees was
11 being discussed?

12 A Yes, it went through in my mind.

13 MR. PEDOWITZ: That's a slightly different
14 analogy.

15 MR. ZIMROTH: Slightly a different issue.

16 MR. CHERTOFF: I'm asking for the witness's
17 understanding at the time not what your analysis would be
18 or someone else's analysis.

19 MR. PEDOWITZ: You also related if to his
20 testimony which had to do with the duty to serve as a judge
21 if there is no basis for disqualification.

22 MR. CHERTOFF: We'll get to that shortly.

1 BY MR. CHERTOFF:

2 Q Let me direct your attention to page 5 of this
3 memo, which is N37. At the bottom, item C deals with
4 communications with the Department of Treasury; correct?

5 A Correct.

6 Q Is there some reason that you treated the
7 Department of Treasury as a particular subject of
8 discussion singled out from most of the other executive
9 branch departments for separate consideration?

10 A Well, I seem to single out the Department of
11 Justice, Department of the Treasury and also certain
12 procedures governing international aviation decisions. We
13 thought these were sensitive areas.

14 Q On page 6, which is document number N38,
15 paragraph number 2, that is --

16 MR. PEDOWITZ: Mike, we don't have the page
17 numbers.

18 THE WITNESS: Page 6.

19 BY MR. CHERTOFF:

20 Q Page 6. Again, this paragraph relates to
21 procedures governing contacts with the Department of the
22 Treasury; correct?

1 A Correct.

2 Q And the paragraph reads as follows: "All
3 inquiries which concern or may concern rulings on pending
4 applications, regulatory actions or adjudications must
5 likewise be directed to the counsel to the president for
6 transmittal, if appropriate and necessary to the deputy
7 secretary (although it is unlikely that inquiries with
8 respect to adjudications or to so-called private rulings
9 will be considered appropriate or necessary)."

10 Again, was your reason for -- did you regard the
11 issue of contacts with respect to adjudications in
12 particular cases as being more sensitive than the issue of
13 contacts with respect to general rulemaking regulation?

14 A Yes.

15 Q Now, let me direct your attention to the next
16 memo, which is March 9th. Page 2 of that designated
17 document N41, paragraph 3, did you regard this memorandum
18 as consistent with the prior memorandum of February 22nd?

19 A Yes.

20 Q In other words, you did not mean to overrule or
21 reverse any of the mandates in the earlier memorandum by
22 generating this memorandum?

13

1 A We specifically state on the first page of the
2 memorandum its relationship to the prior memorandum. It
3 says this memorandum is intended to clarify certain issues
4 discussed in our February 22 memorandum. The following
5 points are intended to supplement, not replace our February
6 22 memorandum and the February 22 memorandum should be
7 considered to be consulted for the broader range of topics
8 we've covered.

9 Q Now, on paragraph 3, it begins "as a general
10 rule, no member of the White House staff should contact any
11 executive branch agency or its components with respect to
12 any pending adjudicative or investigative matter."

13 Why did you add the term "investigative" to
14 adjudicative in this memorandum?

15 A I don't recall this point. I mean, they're
16 related to each other obviously. There are some agencies
17 that conduct or engage in adjudications. There are some
18 agencies that engage just in investigations and there may
19 be pass on their findings in one form or another to another
20 agency. We considered them both very sensitive.

21 Q And you would agree that the same restrictions
22 that should generally prevent contacts with an agency about

14

1 adjudications in particular cases should also apply with
2 respect to contacts regarding investigations of particular
3 cases; correct?

4 A Yes, sir, that's correct. I so agree.

5 Q The next paragraph goes on to say "in some
6 circumstances, it may be appropriate for White House staff
7 to have discussions with executive branch agencies
8 concerning rulemaking, but prior to doing so, White House
9 staff members should first consult with the counsel's
10 office. The purpose of such consultation is to ensure that
11 no private parties are receiving preferential treatment or
12 having undue influence upon the rulemaking process."

13 Was it your intention under this paragraph to
14 state that with respect to rulemaking, there should be
15 prior consultation with the counsel's office but with
16 respect to investigation or adjudication issues, there
17 should be no contact, period?

18 A No, because it -- that's not my intention. The
19 intention of all these memoranda was basically that with
20 respect to any contact with any rulemaking, adjudicative,
21 investigative -- with the understanding that adjudicative
22 and investigative were more sensitive than anything --

15

1 there should be no prior contact without consultation with
2 the counsel's office. I think that's made clear in this
3 memorandum.

4 There was no flat prohibition, but what there was
5 was a desire to make sure that no one in the White House
6 engages in discussions with respect to any of these matters
7 without first consulting with the counsel's office so a
8 determination could be made as to whether or not the
9 contact was appropriate, whether it was in the furtherance
10 of some official public purpose.

11 Q Would you agree with me that the passage that
12 discusses the need to have prior consultation with
13 counsel's office relates to -- is the second clause in the
14 sentence that says "in some circumstances it may be
15 appropriate for White House staff to have discussions with
16 executive branch agencies concerning rulemaking"?

17 A Well, that sentence does refer to rulemaking.

18 MR. PEDOWITZ: The first sentence refers to a
19 general rule.

20 MR. CHERTOFF: Regarding any adjudication and
21 investigative matter.

22 MR. PEDOWITZ: Correct, as a general rule.

16

1 BY MR. CHERTOFF:

2 Q Does that sentence have in it any statement about
3 circumstances in which it may be appropriate after prior
4 consultation with counsel's office?

5 A Say that again.

6 Q Does the first sentence, which says as a general
7 rule no member of the White House should contact any
8 executive branch agency with respect to any pending
9 adjudicative or investigative matter. Does that sentence
10 have within it, as either in a dependent clause or any
11 place within that sentence, a suggestion that there may be
12 some circumstances where that is appropriate after
13 consultation with counsel's office?

14 A Does that sentence itself have that?

15 Q Correct. Does it?

16 A That sentence itself does not have it but the
17 memoranda generally contained it. You just read me
18 previously a memorandum on February 22 which says "any
19 written or oral communication to the White House concerning
20 pending investigations must be directed to the counsel to
21 the president."

22 Q Was this memorandum, this later memorandum

17

1 designed to tighten up the February 22 memorandum?

2 A No, not with respect to that issue, no.

3 Q Would you agree that the issue of contacts with
4 agencies about adjudications or investigations in
5 particular cases does raise the potential issue of an
6 appearance of preferential treatment or undue influence?

7 A Yes, it raises -- it raises the potential for
8 that issue.

9 Q Was this a matter you were sensitive about in
10 carrying out your duties as White House counsel?

11 A Yes.

12 Q Were you aware of the fact there had been
13 criticism of the prior administration or prior
14 administrations for appearances of undue influence?

15 A Correct, I was aware of that.

16 Q And you did not want to have that criticism
17 leveled against this administration; right?

18 A I did not.

19 Q Directing your attention to N42, which is page 3
20 of this memorandum, paragraph 5 goes on to say "White House
21 staff should confer with the counsel's office before
22 contacting independent or executive agencies with respect

18

1 to particular individuals. Moreover, White House staff
2 should be sensitive to the constraints placed on agencies
3 by the provisions of the Privacy Act of 1974."

4 What were those constraints, Mr. Nussbaum?

5 A Well, my general understanding with respect to
6 the Privacy Act of 1974 is it placed certain prohibitions
7 on the release of certain information by government
8 agencies about individuals. That's my memory right now. I
9 may have had a greater knowledge at the time when I
10 discussed this with Steve Neuwirth who was assisting me in
11 drafting this memorandum. That's what I remember now.

12 Q Was it your general understanding that the
13 Privacy Act would restrict the ability of an agency to
14 transmit information that it had obtained through its
15 official duties about particular individuals without there
16 being a particular or legitimate purpose for doing so?

17 A I believe that's correct, yes.

18 Q Let me direct your attention to your testimony
19 yesterday concerning the matter of faxes dated on or about
20 March 23 and March 24 of 1993 addressed to you containing
21 an RTC Clip Sheet of a New York Times article from 1992.
22 Do you recall being asked questions about that yesterday?

1 A Yes.

2 Q And you have no recollection this morning of
3 receiving those faxes?

4 A That's correct.

5 Q Where did you find them in the file?

6 A I didn't -- I asked for somebody to look in the
7 files to see if Altman had sent me any fax. This was
8 sometime in early October of 1993. And somebody brought it
9 in to me. I did not see the file. I don't recall somebody
10 bringing in a file to me. It's just oh, this is sitting in
11 our files and they brought it out. I looked at it and as I
12 testified yesterday, I don't remember receiving it or ever
13 seeing it.

14 Q Was it your practice at this period of time to
15 keep a file of every fax that was received by your office?

16 A At this particular time, in March of 1993, we had
17 been in office two months. As I indicated yesterday when I
18 testified, you walk into the White House's counsel, when
19 you walk in, there are no files. There were empty offices,
20 so we were in the process of setting up filing systems and
21 in the process of hiring staff, secretaries and other
22 people like that.

1 It wasn't our practice to keep every fax in our
2 files. Sometimes we would disperse them among the various
3 associate counsels, assistant counsels. We tried to figure
4 out what the best way would be, whether we should have a
5 central filing system or a decentralized filing system.
6 Usually a combination of both. We kept a lot of things in
7 my office, but when it became overwhelming, we started
8 shuffling things into associate counsels' offices. More
9 and more I tried to do that during my reign as counsel.

10 Q Was there a file relating to RTC matters at the
11 White House counsel's office?

12 A I don't know. I don't know. I just don't have
13 any recollection.

14 Q As of September 1993, was there a file relating
15 to Whitewater or Madison?

16 A As of September 1993?

17 Q Yes.

18 A I don't believe so.

19 Q Would there have been a file --

20 A But it's possible -- it's possible if this fax
21 came in, a secretary would have looked at it and can I see
22 the fax, looked at it and seen "RTC" and written on a

21

1 folder "RTC," stick it in the folder and just put it in a
2 file or even write "RTC matter." I don't know who wrote
3 "RTC matter" as a file on this thing, but it's possible
4 that's what happened. I don't know.

5 MR. PEDOWITZ: You don't know if it was somebody
6 in your office.

7 THE WITNESS: I don't know if it was somebody in
8 my office.

9 BY MR. CHERTOFF:

10 Q I'm just asking whether there was such a file.

11 A I don't know whether there was such a file.

12 Q Is it your recollection that before the latter
13 part of September 1993, in terms of your official capacity
14 as White House counsel, there had been no discussion or
15 nothing had come to your attention regarding Madison
16 Guaranty Savings & Loan?

17 A I don't recall anything coming to my attention.

18 Q In the summer of 1993, did something come to your
19 attention regarding a complaint on Madison Guaranty Savings
20 & Loan that was transmitted by Senator Bumpers?

21 A I remember somebody complaining about the RTC --
22 I remember receiving a letter -- I don't remember when

22

1 now -- from one or both senators from Arkansas, Bumpers
2 and/or Pryor, one of them, yes, sending me a complaint
3 about RTC conduct against Seth Ward, I think, and others.
4 I don't know if we focused on the letter. I remember
5 receiving it and responding to him, writing a letter just
6 back to him. Could I see my response?

7 Q Before we get to the response, I want to ask you
8 what you remember about this whole episode.

9 A I remember receiving it, sending him a nice
10 letter back, trying to be nice to him, having it put in the
11 file and having done nothing else with respect to the
12 matter. That's what I remember.

13 Q Was there discussion within the White House
14 counsel's office concerning anything about this
15 correspondence that involved Madison Guaranty that
16 suggested to you it was a sensitive or possibly awkward
17 matter?

18 A I don't recall any discussion in counsel's
19 office.

20 Q Was the thrust of the complaint that the RTC was
21 being too hard on the people in Arkansas?

22 A Yes.

1 Q And was the complaint that the RTC was taking an
2 appeal from an adverse decision which had gone against the
3 RTC?

4 A I think so, but if you showed me the document, it
5 will obviously refresh my recollection.

6 Q I'll show it to you in a couple minutes. Was
7 there actually appended a letter from Mr. Ward?

8 MR. PEDOWITZ: Please, Michael. If you're
9 sitting there with a document and you're asking him
10 questions about what's in the document, why don't we show
11 him the document.

12 MR. CHERTOFF: I'd like to exhaust his
13 recollection before we get into the document.

14 BY MR. CHERTOFF:

15 Q Do you remember correspondence from Seth Ward?

16 A I'm sorry. I'm a terrible client. I'm trying to
17 hold him back.

18 Q Was there correspondence from Seth Ward?

19 A I believe so.

20 Q Did you know who Seth Ward was?

21 A Yes.

22 Q Who is Seth Ward?

1 A He's the father-in-law of Web Hubbell.

2 Q Were you aware that the Rose Law Firm had been
3 involved in the litigation question?

4 A No, I don't remember that. I may have known that
5 but I don't remember that in this instance.

6 Q Did Mr. Foster recuse himself from dealing with
7 this particular issue?

8 A Yes, that's why you say the summer of -- I
9 remember Foster had a scrolled note or something; Vince
10 said to me, I can't handle this or I can't be involved in
11 this. You handle this.

12 Q Let me read you the memorandum. It's dated July
13 7, 1993, "to Bernard W. Nussbaum, counsel to the president,
14 from Vincent W. Foster, subject: Letter from Senator
15 Bumpers regarding Resolution Trust Corporation," and the
16 letter to you or the memo is dated July 7, 1993.

17 "As you will note, I was copied on the letter
18 from Senator Bumpers to Roger Altman and you concerning
19 director negligence cases by the Resolution Trust
20 Corporation. I am recused from participating in any
21 consideration of this letter. My former law firm
22 represented the RTC in certain director negligence cases in

1 Arkansas. In addition, Senator Bumpers includes a letter
2 received from Seth Ward. For your information, Mr. Ward is
3 the father-in-law of associate general -- associate
4 attorney Web Hubbell, who is also a member of my former law
5 firm."

6 Does that refresh your memory about this
7 transaction?

8 A Well, it refreshes my memory there was such a
9 memorandum.

10 Q Do you understand why Mr. Foster recused himself
11 from this?

12 A For the reasons he states in the memorandum.

13 Q Was it your understanding Mr. Foster's firm had
14 represented the RTC in the particular case in question that
15 was complained about here?

16 A I don't recall that. I don't recall that.

17 Q In fact, the memorandum does not say that he had
18 represented the RTC in this case but merely in certain
19 director negligence cases in Arkansas; correct?

20 A Let me see the memorandum.

21 Q Take a look at the memorandum?

22 A You keep holding it close to your body, so I

1 can't see it.

2 MR. PEDOWITZ: It's X001438.

3 THE WITNESS: I can report that you have read
4 this accurately.

5 BY MR. CHERTOFF:

6 Q Does the memo -- the memo does not indicate that
7 Mr. Foster was recusing himself because he had participated
8 in the particular matter; correct?

9 A Well, it indicates what it indicates. It says "I
10 am recused from participating in any consideration of this
11 letter. My former law firm represented the RTC in certain
12 director negligence cases in Arkansas."

13 Q And it also indicates there was a family
14 relationship between Mr. Ward and one of Mr. Foster's
15 partners; correct?

16 A That's correct.

17 Q Was it your understanding that Mr. Foster recused
18 himself to avoid even an appearance of impropriety?

19 A I'm sure that is one of the reasons Mr. Foster
20 recused himself.

21 Q Was it necessary, or did Mr. Foster indicate to
22 you that it was necessary for him to secure an opinion as

1 to whether there was an actual, specific ethical rule that
2 applied to debar him before he decided to take himself out
3 of this matter?

4 A Can you reread the question, please.

5 (The reporter read the record as requested.)

6 THE WITNESS: Mr. Foster did not indicate that it
7 was necessary to secure an opinion with respect to that.

8 BY MR. CHERTOFF:

9 Q Did this discussion sensitize you to the fact
10 that matters involving Madison Guaranty might require extra
11 care because of the fact that the Rose Law Firm had been
12 involved in certain related types of litigation and because
13 one of the Rose Law Firm's partner's father-in-law was
14 involved in litigation connected with Madison Guaranty?

15 A I don't know if it required extra care. It
16 required adherence to the appropriate principles of law and
17 ethics, including principles involving appearance of
18 impropriety.

19 Q Did this discussion with Mr. Foster and the fact
20 that Mr. Foster had decided to take himself out of
21 participating in this matter raise a red flag to you about
22 Madison Guaranty?

1 A No.

2 Q Was there any other matter Mr. Foster took
3 himself out of or recused himself from during the period of
4 time he served as your deputy?

5 A Yes, yes.

6 Q How many other matters?

7 A Not many.

8 Q Were they related to Madison Guaranty?

9 A I'm trying to remember what they were at this
10 moment. But I remember a number of times or a couple of
11 times he would say to me, look, I really shouldn't be
12 involved in this thing and you should handle it, which I
13 would. I don't remember whether or not they related to
14 Madison Guaranty. I don't think so.

15 Q But this one you do recall related to Madison
16 Guaranty?

17 A Well, this one -- this one -- it's not the
18 relation to Madison Guaranty. It's the fact that it wasn't
19 Madison. It's the fact that it involved a suit by the RTC
20 and his law firm had represented the RTC in certain
21 director negligence cases in Arkansas. He doesn't talk
22 about Madison. Plus, of course, the family -- the

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1 relationship that one of his former partners has with Seth
2 Ward. It's true. I understand that Seth Ward had some
3 involvements with Madison, but this would be true whether
4 or not -- the basis for the recusal matter would be true
5 whatever savings and loan was involved.

6 Q Let me direct your attention to page 1447 to
7 1451?

8 MR. CODINHA: That's X.

9 MR. CHERTOFF: X.

10 BY MR. CHERTOFF:

11 Q And this is a letter from Seth Ward. Does it not
12 make discussion of Madison Guaranty in the letter?

13 A Yes, but the key, Mr. Chertoff, is what
14 Mr. Foster says to me in his memorandum as the basis for
15 his recusal, and he doesn't say anything in his memorandum
16 about Madison being sensitive or red flags or anything like
17 that.

18 What he says in his memorandum, look, what we
19 have here is our letters involving litigation -- director
20 negligence type of litigation between the RTC and various
21 entities and people. We represented people of the RTC in
22 those kind of suits. In addition, one of the people

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1 involved is the father-in-law of one of my former
2 partners. That's the basis for him saying to me that's why
3 I want to recuse myself. I don't want to get involved in
4 this thing.

5 Q That former partner is also a former partner of
6 the first lady; correct?

7 A Yes.

8 Q Did you read the memorandum and the underlying
9 documents?

10 A Did I read the memorandum in the underlying
11 documents? In all probability, yes.

12 Q Do you recognize the handwriting and if you can,
13 who made the underlinings in the underlying documents.

14 A I don't recognize it. I'm not sure. Is it
15 Vincent's? I'm not positive. I don't recognize it right
16 now.

17 Q Is any of it yours, any of the writing? Go
18 through the full memorandum.

19 A I'll go through the full memorandum, but I'm
20 virtually certain none of the writings is mine.

21 MR. PEDOWITZ: Do you have any representation
22 from the White House as to whose file it may have come

1 from?

2 MR. CHERTOFF: What's the number?

3 MR. PEDOWITZ: It starts with X001437, the front
4 page of the fax or the White House correspondence tracking
5 sheet.

6 MR. CHERTOFF: I believe it comes from a file in
7 the White House counsel's office. I cannot tell you. I
8 think it comes from Mr. Nussbaum's file.

9 THE WITNESS: It may. Because I know I wrote a
10 letter to the senator.

11 BY MR. CHERTOFF:

12 Q I'm going to show you exhibit X1377 and ask you
13 if this is a draft of the letter that you wrote. I'm just
14 asking you whether you recognize X1377 as a draft of the
15 letter you wrote.

16 A I think it's the actual letter I sent or a copy
17 of the actual letter. It doesn't contain my signature, I
18 know, but I think that's the actual letter itself.

19 Q That's dated September 20, 1993?

20 A September 20, 1993, yes.

21 Q Can you explain why it took so long to respond to
22 that letter or to respond to the underlying letter from

1 Senator Bumpers, and I know there's some correspondence in
2 there.

3 A Bumpers's letter is dated what?

4 MR. CODINHA: Do you have Bumpers's letter?

5 BY MR. CHERTOFF:

6 Q Bumpers's letter was dated May 26, 1993, and
7 Mr. Foster's recusal memo is dated July 7, 1993. If you
8 don't know --

9 A I don't know. I don't know.

10 Q Did you have discussion with Mr. Altman about
11 this?

12 A No.

13 Q Now, let me direct your attention to the latter
14 part of September. Before the meeting you had on September
15 29th with Ms. Hanson, had she previously given you any
16 warnings or heads-ups about possible stories that might
17 appear in the press?

18 A I don't recall any. She might have, but I don't
19 recall.

20 Q Nothing you can recall?

21 A Nothing I can recall.

22 Q When you had your -- I believe your testimony was

1 yesterday that -- let me withdraw that and put it this
2 way.

3 When you had your discussion with Ms. Hanson, she
4 related to you the fact that the Clintons were potentially
5 named as witnesses in criminal referrals. Did she mention
6 any other names to you on September 29th?

7 A Any names of individuals?

8 Q Yes, besides the Clintons.

9 A No, at least to the best of my memory, no.

10 Q When you called Mr. Sloan in, did she at that
11 point mention the names of any other individuals but the
12 Clintons?

13 A I believe not.

14 Q At that point, did she mention the Clinton
15 campaign committee?

16 A She mentioned the Clinton campaign committee,
17 yes.

18 Q Did she mention the Clinton campaign committee
19 was the subject of one of the referrals?

20 A I don't recall.

21 Q In your mind, the terms "target," "subject" and
22 "witness" have a very particular meaning; correct?

1 A Yes.

2 Q And that's based on your experience both as a
3 prosecutor and defense attorney; correct?

4 A Correct.

5 Q It's a matter of considerable significance to
6 people to learn whether they are targets, subjects or
7 merely witnesses in an investigation; correct?

8 A Correct.

9 Q And it's particularly a matter of concern to them
10 early on, the earlier they can find out; correct?

11 A Yes.

12 Q It's also a fact that people's status can change;
13 correct?

14 A Absolutely.

15 Q Someone can begin as a witness and become a
16 subject; correct?

17 A That's right.

18 Q And become a target?

19 A That's right.

20 Q And monitoring the change in that status is
21 something that defense attorneys try to do; correct?

22 A That's correct.

1 Q What was the reason you asked Mr. Sloan to
2 continue to be a point of contact with respect to
3 Ms. Hanson in the future?

4 A For the purpose of enabling the White House to
5 respond to press inquiries. You asked the question. I
6 finished my answer.

7 Q What kind of press inquiries -- what kinds of
8 responses did you envision helping the White House make to
9 press inquiries regarding the issue of Madison Savings &
10 Loan?

11 A What kind of response did I envision --

12 Q What was in your mind?

13 A If the press inquired about certain facts, I
14 expected the White House normally to respond to those
15 inquiries with an accurate recitation of those facts. If
16 the press inquired with respect to whether or not the
17 Clintons were targets of an investigation, I expected the
18 White House to be able to answer whether or not they were.
19 And at this time they were not, and I was concerned about
20 misinformation basically being given to the press and the
21 press coming to the White House and I wanted the White
22 House to be in a position to respond to that

1 misinformation.

2 Q First of all, did you tell anybody in the press
3 office how they should respond to the question from a
4 potential question from someone in the press whether the
5 Clintons were targets in the investigation?

6 A Did I personally tell anybody, no, but I had
7 Lindsey -- rather, I had Sloan working basically with
8 Lindsey and I thought they could deal with it.

9 Q And your intention was to have the White House
10 tell someone from the press that the Clintons were not
11 targets based on what the RTC had confirmed to them?

12 A If --

13 MR. PEDOWITZ: Confirm to whom, Mike?

14 MR. CHERTOFF: The White House.

15 THE WITNESS: The answer to that is yes, yes.
16 One of my concerns was if -- I learned about a referral and
17 the Clintons are named as potential witnesses involving
18 checks to a gubernatorial campaign, but I was told that the
19 Clintons are not targets or subjects of the investigation.

20 One of my concerns is that this would leak, as it
21 did, and she told me it would leak, and there would be
22 misinformation out there, in part, as to their status with

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1 respect to this thing so I wanted the White House to be in
2 a position to be able to respond to any such inquiry to
3 correct any such information.

4 BY MR. CHERTOFF:

5 Q Now, the information you had about the status of
6 the Clintons was current as of approximately September
7 29th; correct? That was your understanding?

8 A Yes.

9 Q You also understood that that status could change
10 at some point; correct?

11 MR. PEDOWITZ: Not necessarily in a criminal
12 referral.

13 BY MR. CHERTOFF:

14 Q I'll ask the question this way. Your
15 understanding is you were being told of the status of the
16 Clintons as to the point at which the referral was being
17 transmitted from the RTC to the Justice Department;
18 correct?

19 A Correct.

20 Q You understood that as the Justice Department
21 proceeded to handle the Madison Guaranty matter, the status
22 of the Clintons could potentially change; correct?

38

1 MR. PEDOWITZ: Are we talking about the referral
2 itself or are we talking about the status in an
3 investigation which, as far as he knew, had not yet begun
4 by the Justice Department?

5 MR. CHERTOFF: Let me withdraw the question.

6 BY MR. CHERTOFF:

7 Q Your testimony is that you wanted to have the
8 White House be able to respond to questions concerning
9 criminal referrals related to the Clintons; correct?

10 A Yes.

11 Q You understood that the information you would
12 receive as of September 29th had to do with the status of
13 the Clintons at the point that the referral was being
14 transmitted to the Justice Department; correct?

15 A That was a -- yes, that's correct.

16 Q Incidentally, that's a fairly early stage in
17 which to learn of the status of someone in a potential
18 investigation in your experience; correct?

19 A No. It's a stage, you know, it's a stage in
20 which to learn. I don't know if it's early or late.

21 Q You understood that after the referrals arrived
22 at Justice, there might be further investigation; correct?

1 A Yes.

2 Q As a result of the further investigation, the
3 status of anybody named in a referral could potentially
4 change, correct, in your understanding?

5 A As a theoretical matter, yes. The status of
6 anybody can change, that's correct.

7 Q And you understood, therefore, that if a press
8 inquiry came a week or two weeks or a month or two months
9 down the line, your information as of September 29th
10 concerning the Clinton status would not be accurate or
11 might not be accurate; correct?

12 MR. PEDOWITZ: Inquiry about what, their status
13 in the criminal referral or their status in a Justice
14 Department investigation?

15 MR. CHERTOFF: I will withdraw the question.

16 BY MR. CHERTOFF:

17 Q If a question came a month or two down the line
18 about what had happened with respect to the subject of
19 those referrals, you understood that there might be a
20 change in the status of the Clintons; correct?

21 MR. PEDOWITZ: I don't understand the question
22 and I object to the form of it.

1 MR. CHERTOFF: Let me rephrase the form.

2 BY MR. CHERTOFF:

3 Q You understood that after the referral was
4 transmitted to Justice, there might be investigation;
5 correct?

6 A Yes.

7 Q You understood there was a possibility that a
8 reporter might call the White House a month or two down the
9 line to find out what had happened with the subject matter
10 of those referrals at the Department of Justice; correct?

11 A Yes, as I recall.

12 Q Your understanding or intention was that the
13 White House should be able to respond to that; correct?

14 MR. PEDOWITZ: To the question about the status?

15 MR. CHERTOFF: To the question that the reporter
16 might ask concerning whatever happened to the referrals and
17 to the people named in them.

18 MR. PEDOWITZ: Is the intent at what time?

19 MR. CHERTOFF: I'm asking him, as of September
20 29th, if he envisioned the possibility that a month or two
21 down the line there would be questions from reporters about
22 what had happened with respect to the subject of those

1 referrals.

2 THE WITNESS: There might be questions from
3 reporters as to what might happen to the subject of those
4 referrals, yes.

5 BY MR. CHERTOFF:

6 Q What plans did you make to keep apprised of what
7 would happen with those referrals?

8 A None.

9 Q So your view was that after -- the information
10 you would transmit in the future would be only the
11 information you had as of September 29th?

12 A If we believed it to be accurate. If we
13 continued to believe it to be accurate.

14 Q How would you know if it continued to be
15 accurate?

16 A If we received in any way any other information
17 which would indicate it's inaccurate, we would know it's no
18 longer accurate.

19 Q You were anticipating the possibility of getting
20 information from the Department of Justice about the status
21 of that?

22 A No, I wasn't anticipating getting information

1 from the Department of Justice, and I didn't consider it a
2 realistic possibility that the status would change. If it
3 changed and we learned about it in some appropriate
4 fashion, then we would act accordingly, but the fact is I
5 didn't put into motion any process to keep track of the
6 status of the Clintons, either with respect to the RTC or
7 the Department of Justice.

8 Q Did you expect that the Department of the
9 Treasury might be kept abreast of how the Department of
10 Justice was handling the referrals that had been made?

11 A I didn't give that thought.

12 Q In your experience, when an agency like the FBI
13 or the SEC refers a matter to the U.S. Attorney's office,
14 isn't that agency or at least the agents who have been
15 working on the case from the agency, don't they have some
16 awareness of how that referral gets handled?

17 A From time to time, they do.

18 Q Did you expect that -- is one of the reasons that
19 you asked Mr. Sloan to keep in touch with this so he could
20 be apprised of any changes that Ms. Hanson learned
21 regarding the way in which those referrals had been handled
22 after they had been transmitted?

1 A No.

2 Q Did you caution Mr. Sloan to caution Ms. Hanson
3 not to convey that information?

4 A No.

5 Q Did you say to Ms. Hanson, look, from this point
6 on we don't want to know what happens to those referrals if
7 you learn about them?

8 A Did I say that to her?

9 Q Yes.

10 A No, I didn't say that.

11 Q Did you think it?

12 A No, I didn't think it either.

13 Q Did you, at any point after September 29th up
14 until the end of the year, ever tell Ms. Hanson either
15 orally or in writing or directly or through anybody else
16 that you should be cautious about the information that she
17 conveyed to the White House concerning anything she might
18 learn about the handling of those criminal referrals?

19 A No, I did not say that to her.

20 Q Did Ms. Hanson say in your conversation with
21 September 29th with her that Mr. Altman had sent her?

22 MR. PEDOWITZ: Sorry. I missed the question.

1 BY MR. CHERTOFF:

2 Q On the conversation you had with Ms. Hanson on
3 September 29th, did Ms. Hanson tell you that Mr. Altman had
4 asked her to come over and describe this information to
5 her?

6 A I don't recall her saying that.

7 Q When Ms. Hanson raised the issue on September
8 29th of Mr. Altman having previously given you some
9 information about the Madison matter, in that portion of
10 the conversation, did she indicate to you in some way that
11 Mr. Altman was aware she was reporting to you on
12 September 29?

13 A I don't know. She said what she said. She said
14 what I described, namely, Roger says that he sent some
15 material over to you, and I said I don't know what you're
16 talking about, and I remember a fax thereafter.

17 Q Did you consider Ms. Hanson's discussion with you
18 on September 29th to be a discussion involving a matter
19 that was then in the investigative or adjudicative -- not
20 adjudicative -- the investigative stage at the RTC?

21 A Yes.

22 Q Did it call to mind the policy that you had set

1 forth in your earlier memorandum?

2 A Yes.

3 Q This also occurred in the aftermath of a
4 controversy that arose concerning the handling of something
5 sometimes referred to as Travelgate; correct?

6 A Yes.

7 Q As a consequence of that episode, were you
8 sensitive to the issue of the White House counsel's office
9 or anybody from the White House getting involved with
10 anybody from investigative agencies on those matters?

11 A I was sensitive.

12 Q Did that sensitivity caution you to caution
13 Mr. Sloan that he should be careful what information he
14 conveyed to anybody else in the White House that he had
15 learned from Ms. Hanson?

16 A No.

17 Q Did you understand the information that
18 Ms. Hanson had conveyed was not public information?

19 A What I understood was the information Ms. Hanson
20 conveyed was shortly to become public information by the
21 subject of leaks, but at that moment, at that moment, I
22 understood that it was probably nonpublic information.

1 Q Did she tell you she intended to leak it?

2 A No, but she told me it's highly likely to leak.

3 Q Had she told you anybody else had expressed an
4 intention to leak it?

5 A No.

6 Q She predicted there would be a leak; correct?

7 A Accurately.

8 Q And therefore, you did not know at that point in
9 time whether it would leak or not; correct?

10 A I could not be certain, yes.

11 Q Is it your view that nonpublic information
12 becomes public information simply when it becomes highly
13 likely that it will leak?

14 A No.

15 Q In fact, in your experience you have a great deal
16 of sensitivity to the way in which nonpublic information
17 has to be handled; correct?

18 A Correct.

19 Q And you understand that even the fact that one
20 reporter may have some information doesn't make it public
21 information; correct?

22 A That's correct.

1 Q The fact that the reporter asks a question
2 doesn't make the subject matter public information;
3 correct?

4 A That's correct.

5 Q Did you think the president would be interested
6 in hearing what his status was with respect to these
7 criminal referrals?

8 A No.

9 Q When you represented individuals or entities in
10 the past and have learned what someone's status is
11 concerning an investigation, don't you generally report it
12 to the client?

13 A Yes.

14 Q Was this the first time, September 29th, that you
15 had heard that there were criminal referrals that were
16 about to be sent to the Department of Justice?

17 A Had been sent or about to be sent, yes.

18 Q This was a matter which you believed was
19 important for the press office to know in order to respond;
20 correct?

21 A Correct.

22 Q You didn't think it was important for the

1 president himself to know?

2 A Correct, because I didn't consider it a
3 serious -- matter of serious concern. They were looking
4 into some savings and loans which had made some
5 contributions to a gubernatorial campaign, and the
6 president, his name was mentioned. He was a potential
7 witness. Political figures all the time get contributions
8 about which questions are raised with respect to whether
9 they're not proper or not proper. I didn't consider this a
10 big deal. I didn't consider it a matter of serious
11 concern.

12 I considered it a potential press problem, and I
13 don't bother the president with matters that don't rise to
14 serious concern. Obviously later on, things -- in other
15 areas things became -- there was much more press inquiries,
16 but I didn't consider on September 29th this to be a matter
17 of serious concern. I just considered it a matter of
18 something we had to respond to, that the White House had to
19 respond to.

20 Q Did you view this information given by Ms. Hanson
21 as restricted in any way in terms of who could hear about
22 it?

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1 A Well, it was being given to the White House for
2 us to use for appropriate official purposes, and I believe
3 it was restricted to only those people who would have a
4 role to play in fulfilling those official public purposes.

5 Q Did Mr. Sloan come to you the next day and tell
6 you he had gotten some more details from Ms. Hanson
7 regarding these referrals?

8 A The answer is I do not recall.

9 Q Within the next couple of days, did he inform you
10 that these referrals involved -- could potentially involve
11 someone named Jim Guy Tucker?

12 A I don't recall him telling me that.

13 Q Did he inform you that there was a possibility
14 that the then governor of Arkansas, Mr. Clinton's successor
15 might be indicted?

16 A I don't recall him telling me that.

17 Q Did he tell you that one of the referrals
18 involved allegations of a conspiracy to divert funds from
19 Madison for the Clinton campaign?

20 A To divert funds from Madison to the Clinton
21 campaign, I don't recall him telling me that.

22 Q Did he mention a Mr. McDougal?

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1 A At this time I don't recall. I don't recall any
2 conversations with Mr. Sloan between September 29th and
3 October 14th. I just don't recall any conversations. It
4 is our practice -- our practice would be -- it is highly
5 likely that he would come to me in the interim and talk to
6 me between September 29th and October 14th. I have no
7 doubt that he probably did, and maybe with respect to this
8 matter, the matter which I put him in touch with Jean
9 Hanson on September 29th. I just don't have any memory of
10 those conversations.

11 Q What about the name Peacock? Did that come up in
12 late September with Mr. Sloan?

13 A At some point, I remember having -- I don't
14 remember having discussions with Mr. Sloan about the name
15 Peacock. At some point I remember discussing the
16 endorsements on the checks with Mr. Lindsey and Peacock was
17 one of the endorsees.

18 Q Did you have, in the period between September
19 29th and October 14th, anybody do any research concerning
20 whether it was appropriate to receive information like this
21 from the RTC?

22 A No, but I understand, as I testified yesterday,

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1 that research was done by Mr. Sloan and/or Mr. Eggleston.

2 Q Did you ever express an opinion or direct -- let
3 me withdraw the question.

4 Did you ever direct Mr. Sloan or Mr. Eggleston to
5 make sure they did not receive any information concerning
6 any other individuals and their status from the RTC?

7 A No, I never made such a direction.

8 Q Did you understand that to receive information
9 about another individual might implicate that person's
10 Privacy Act's concerns?

11 MR. PEDOWITZ: Having it conveyed to the White
12 House?

13 MR. CHERTOFF: I'm asking the question.

14 THE WITNESS: I don't know if I thought about the
15 issue at the time.

16 BY MR. CHERTOFF:

17 Q I want to be clear. The purpose for which you
18 believed this information was being transmitted to you was
19 so that the White House could respond to press inquiries?

20 A Correct.

21 Q Can you think of a reason why it would be
22 legitimate for the White House to respond to press

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1 inquiries concerning whether some individual other than the
2 president was to be in a particular status of the
3 investigation?

4 MR. PEDOWITZ: So we understand, we're answering
5 questions based on conversations that he doesn't recall.
6 Are you representing that Jean Hanson conveyed information
7 that she had received from the RTC concerning the specifics
8 of these referrals to Mr. Nussbaum?

9 MR. CHERTOFF: I'm asking good faith questions
10 based on information we've received concerning information
11 that was transmitted from the Treasury to the White House,
12 and I want to ask the witness's understanding -- I'm asking
13 the witness what direction he gave Mr. Sloan or
14 Mr. Eggleston concerning the handling of particular type of
15 information that might come over.

16 MR. PEDOWITZ: But you also seem to be asking
17 questions about the Privacy Act which seems to me to
18 suggest that the source of this information is the United
19 States government as opposed to any private source.

20 MR. CHERTOFF: I'm not suggesting anything.
21 Mr. Pedowitz. I'm asking about whether the witness
22 considered certain issues and took certain steps as counsel

1 to limit the flow of information.

2 MR. PEDOWITZ: He's already told you he does not
3 remember those conversations with Mr. Sloan.

4 MR. CHERTOFF: I'm asking to ask him whether he
5 considered certain issues.

6 BY MR. CHERTOFF:

7 Q Mr. Nussbaum, did you consider whether it would
8 be appropriate to put any limitations in place concerning
9 the transmission of information involving people other than
10 the president?

11 A We operated in a general framework, that when we
12 got information, there had to be an official reason, a
13 public purpose for us receiving information. In the case
14 of the September 29th meeting, the information we received
15 from Ms. Hanson was to enable us to respond to press
16 inquiries, which was an official public purpose. That's
17 why I felt I was it was a totally proper meeting.

18 With respect to other information we might
19 receive at any other time, I'm talking about as a general
20 matter -- I'm not talking about any specific information
21 received by anybody -- if there was an official public
22 purpose for us receiving that information, then I believe

1 we're entitled to -- we would be entitled to receive that
2 information and act on it. If there was no reason for us
3 to get that information, then we shouldn't get it. I
4 understood that and my staff understood that, including
5 Mr. Sloan and Mr. Eggleston.

6 Q Mr. Nussbaum, was it your view at the time that
7 if the press asked a question about anybody or anything, it
8 then became permissible for the White House to obtain
9 information from any department of the government on that
10 subject?

11 A No, not necessarily. No, not necessarily.

12 Q Well, I want to be clear, your testimony was the
13 reason you believed it was appropriate to assign Mr. Sloan
14 to continue to be in touch with Ms. Hanson on this matter
15 was to receive information that you might need to use to
16 respond to press inquiries; correct?

17 MR. PEDOWITZ: I don't think that's his
18 testimony.

19 BY MR. CHERTOFF:

20 Q Then please state your precise rationale. What
21 was the public purpose or the appropriate official purpose
22 which, in your mind, justified Ms. Hanson conveying

1 information from the RTC to you?

2 MR. PEDOWITZ: From the RTC to him as opposed to
3 information that Jean Hanson might be receiving from press
4 sources or any place else?

5 MR. CHERTOFF: Yes. I'm not concerned about
6 information Ms. Hanson received from press sources at this
7 point.

8 BY MR. CHERTOFF:

9 Q At this point I'm asking you what was the
10 justification that you understood from Ms. Hanson to convey
11 information from the RTC to you.

12 A To enable us to respond to press inquiries which
13 might arise with respect to the President of the United
14 States.

15 Q Was it your belief that if a press request were
16 to come in for information about the president, that there
17 was no limit to the information you could receive from an
18 agency in order to respond to that press inquiry?

19 A No, I didn't believe there was.

20 Q What was the limit?

21 A If there was an official reason -- if there was
22 an official reason for us to receive the information, then

1 we're entitled to have -- then we're entitled to have the
2 information. The minimal amount of information was given
3 to us in order to enable us to respond to press inquiries.
4 I never contemplated -- this is sort of what you're driving
5 at here -- I never contemplated nor did I ask anyone on my
6 staff to seek additional information --

7 Q Did you --

8 A Let me finish -- from the Treasury Department or
9 the RTC or any other government agency. When I put Sloan
10 in touch with Hanson, what I contemplated, and what I
11 believe happened -- although you can talk to Sloan and
12 Hanson and others -- is for Sloan to talk to Hanson about
13 press inquiries that were coming in because they might come
14 in to the Treasury or RTC as well as to the White House.

15 So if Treasury is being called or RTC is being
16 called with respect to press inquiries, what I envision is
17 those press inquiries, not additional information about
18 referrals, but those press inquiries then being passed on
19 to Sloan so Sloan can deal with it or Lindsey in helping
20 formulate the response because any press inquiry that's
21 going to come on these matters when the president is named
22 as a potential witness in a referral, that any press

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1 inquiry that's going to go to Treasury or RTC doesn't end
2 up coming to the White House.

3 So I wanted to be ready and I wanted the White
4 House to be ready to respond to inquiries. That's what the
5 White House does all the time and that's what I wanted
6 Sloan to do with Hanson, not to monitor status or not to
7 get additional information or not to find out the subject
8 of the referrals or not to call the Justice Department to
9 see what they were doing with respect to this matter. I
10 didn't want any of that done. Sloan knew that. Eggleston
11 knows that and I know that.

12 All we were doing is we heard that the president
13 was mentioned as a potential witness in something. We're
14 going to get questions about this kind of thing. Let's
15 find out what the press inquiries are and we'll gather in a
16 proper manner facts that we need to use to respond and
17 we'll do that. A proper manner is not to call the
18 Department of Justice and start asking them what their
19 investigation is showing or calling the RTC.

20 Q Mr. Nussbaum is it your testimony all you wanted
21 Mr. Sloan to do was be told by Ms. Hanson about when she
22 received telephone calls from the press?

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1 A I envisioned -- what I envisioned, my best
2 memory, is having envisioned that, that she would report to
3 him on press inquiries she was receiving. If any
4 additional information -- if there was any additional
5 information that was appropriate for us to know, could be
6 told to us, then maybe in that circumstance it might be.
7 But I didn't envision that at that point.

8 Q But you've testified -- let me ask you this: At
9 any point on or after September 29th indicate to Ms. Hanson
10 that she had to be careful about the information she
11 transmitted?

12 A No, I didn't indicate that. Ms. Hanson is an
13 able, competent, highly respected lawyer of great
14 integrity, and I don't go around, just like I wouldn't do
15 it with you, warning you about things because I think
16 you're a lawyer of great competence, highly intelligent and
17 of integrity. I don't have to do it with Ms. Hanson.

18 Q Did you believe Ms. Hanson would be the point of
19 contact for press calls concerning the Madison matter?

20 A Well, I believe Ms. Hanson would know about such
21 press contacts.

22 Q If you were interested in having the White House

1 apprised of calls from the press, wouldn't Mr. Gearan have
2 been the best person to ask to take care of that?

3 A It came in in this fashion. She came to tell me
4 about the referral and said there's probably going to be
5 leaks. I had Sloan come in and I set up -- I said Sloan,
6 stay in touch with her. Are there alternate ways of doing
7 it? Undoubtedly there are.

8 Q Did you tell Mr. Sloan to call Mr. Gearan and
9 have Mr. Gearan get on top of it?

10 A I told Mr. Sloan to talk to Mr. Lindsey and have
11 Mr. Lindsey get on top of it because Mr. Lindsey was the
12 person who was going to be most likely either to respond
13 directly or provide the substance of a response.

14 Q Did you know Mr. Lindsey was dealing with -- did
15 you know Mr. Lindsey was dealing with a private attorney
16 who was representing or had represented the Clintons with
17 respect to the Whitewater issue in the campaign?

18 A Mr. Lyons?

19 Q Yes.

20 A Yes, I knew Mr. Lindsey was in touch with
21 Mr. Lyons.

22 Q When you talked with Mr. Lindsey directly or you

1 directed Mr. Sloan to talk to Mr. Lindsey, did you convey
2 any caution concerning whether Mr. Lindsey should be
3 telling this information to Mr. Lyons?

4 A No, I didn't give them any instruction.

5 Q You're an experienced person both on the defense
6 side and prosecution side in criminal matters; correct?

7 A Yes.

8 Q You understand that in a criminal investigation,
9 if people on the outside are warned that an investigation
10 is about to begin or what the focus of the investigation
11 may be, it can give them an opportunity to take certain
12 steps that make the investigation more difficult; correct?

13 A Correct.

14 Q You knew that Mr. Lyons had had a role in the
15 campaign in helping the campaign respond to the issue of
16 the Whitewater matter; correct?

17 A Correct.

18 Q You took no steps to prevent any information you
19 would receive from Ms. Hanson from getting communicated to
20 Mr. Lyons; correct?

21 A Did I take any steps to prevent the information
22 being communicated --

1 Q Or to limit it?

2 A I did not take any steps, nor do I know whether
3 or not the information was communicated to Mr. Lyons, nor
4 do I know whether or not there was any improper use made of
5 this information. I don't believe there was.

6 Q You simply don't know?

7 A My belief is there was no improper use made of
8 this information.

9 Q And as White House counsel, the way you
10 designed -- let me withdraw the question.

11 In accordance with your memoranda February and
12 March of 1993, it was your job as White House counsel to be
13 the person who would make sure that contacts between
14 Treasury and the White House were conducted in a proper
15 fashion and that any information that was transmitted was
16 transmitted in a proper fashion and there was no appearance
17 of undue influence or interference; correct?

18 A Correct.

19 Q That was your job.

20 A That was my job, and I believe I fulfilled that
21 job.

22 Q Did you believe it was compatible with that role

1 for you to get involved in the process of dealing with
2 press inquiries, formulating response to press inquiries?

3 A Yes.

4 Q Did you believe it was compatible with that job
5 to have someone on your staff be the principal person to be
6 in contact with another agency in terms of formulating
7 responses to press inquiries?

8 A Yes.

9 Q In your conversation with Ms. Hanson, did she
10 suggest to you that she was communicating information about
11 these referrals on a lawyer to lawyer confidential basis?

12 A I don't recall her using those words.

13 MR. PEDOWITZ: Is this a good time for a short
14 break?

15 MR. CHERTOFF: Yes.

16 (Recess.)

17 BY MR. CHERTOFF:

18 Q How soon after September 29th in your meeting
19 with Ms. Hanson did you talk to Mr. Lindsey concerning that
20 meeting?

21 A I don't recall. I don't recall, but it was
22 probably fairly soon. It could have been the same day. It

1 could have been the next day.

2 Q Would it have been within a week?

3 A Oh, certainly. Virtually certain.

4 Q Did there come a point after that conversation
5 with Mr. Lindsey where he told you that he had discussed
6 the matter of criminal referrals with the president?

7 A No.

8 Q You testified yesterday at some point you became
9 aware from Mr. Lindsey that with respect to the checks that
10 had gone to the campaign that they were facially proper
11 contributions and the Clinton campaign believed they were
12 proper. Do you remember that testimony?

13 A Yes.

14 Q Did you learn that from Mr. Lindsey?

15 A Yes.

16 Q Did you learn that before the October 14th
17 meeting?

18 A I don't remember whether I did or I didn't.

19 Q Did you ask him whom he had checked with in order
20 to make these determinations?

21 A No. I didn't ask him. I didn't ask him. The
22 answer to your specific question, did I ask him, no, I

1 didn't ask him.

2 Q Was it your understanding that the reason he went
3 out and checked on these contributions was because of your
4 earlier conversation in which you relayed what Ms. Hanson
5 had told you?

6 A No, I don't necessarily understand that.

7 Q Did you know of any other reason you would have
8 gone out and made that check?

9 A I do not know of any other reason, but I don't
10 know if that was the reason.

11 Q You testified a few moments ago that you became
12 aware that Mr. Eggleston and Mr. Sloan had done some kind
13 of research concerning the propriety of receiving
14 information from Ms. Hanson. Was that ever memorialized
15 anywhere?

16 A I don't know, but I don't believe so.

17 Q Did you direct that it be written down?

18 A No.

19 Q Did you direct that it not be written down?

20 A No.

21 Q Did they ever explain to you why there was no
22 memo?

1 A No.

2 Q Have you ever seen a memo like that?

3 A By them? No.

4 Q Did you also direct Mr. Sloan and Mr. Eggleston
5 to report directly to Mr. Lindsey on what they learned from
6 Ms. Hanson?

7 A I didn't direct them to report to Mr. Lindsey. I
8 directed them to work with Mr. Lindsey if they needed to
9 work with him with in respect to formulating appropriate
10 responses to the press.

11 MR. PEDOWITZ: Was the question both Sloan and
12 Eggleston?

13 MR. CHERTOFF: Yes, but if it's one or the other,
14 I can do it --

15 THE WITNESS: Actually, I really remember more
16 Sloan than Eggleston.

17 BY MR. CHERTOFF:

18 Q Either one, would you have directed either one to
19 do it?

20 A I would have directed either one to work with me
21 and work with Mr. Lindsey as appropriate to formulate
22 appropriate responses to the press.

1 Q Notwithstanding your belief that Mr. Sloan and/or
2 Mr. Eggleston were going to be working with Mr. Lindsey,
3 you wanted to remain involved as well?

4 A I wanted to know what's going on. That's my
5 style. I want to know what people are doing.

6 Q Did you ever direct Mr. Sloan to be cryptic or
7 circumspect in the way he communicated with Mr. Lindsey on
8 this matter in writing?

9 A Did I ever direct them in writing?

10 Q No. Did you ever direct him to be circumspect in
11 how he wrote any memoranda in communicating with
12 Mr. Lindsey?

13 A No.

14 Q Did you ever direct Mr. Eggleston or Sloan to be
15 general with what they had written in general with respect
16 to this matter?

17 A No.

18 Q On October 13, you testified you learned about a
19 call from Mr. DeVore regarding a press question about the
20 referrals that you had first heard about on September 29th;
21 correct?

22 A Correct.

1 Q You heard about this from Mr. Gearan?

2 A Yes, Mr. Gearan called me. My recollection is
3 Mr. Gearan called me on October 13th, the day before the
4 October 14th meeting and said Jack DeVore had called him,
5 and was requesting a meeting with Gearan, our
6 communications person, with respect to press inquiries
7 about referrals which had been received, press inquiries
8 which had been received by the Treasury Department. And he
9 wanted a meeting to tell us what Treasury was hearing from
10 the press and what Treasury was going to say to the press,
11 and Gearan said to me, can we have that meeting in your
12 office, and I said yes.

13 Q Did you ask him why he wanted to have the meeting
14 in your office?

15 A Well, I didn't ask him, but as I think I said
16 yesterday -- I don't remember if I said this yesterday -- I
17 was very happy that Gearan did this because I felt this was
18 exactly what I was driving at when I wrote those memos with
19 Steve Neuwirth, that conversations with respect to
20 investigative or adjudicative matters, the most sensitive
21 kind, come through the counsel's office so we can make sure
22 that people act appropriately in regard to conversations

1 with regard to those matters.

2 Q Who was responsible in inviting people to come to
3 this meeting or notifying people about this meeting?

4 A I don't know if anybody was particularly
5 responsible. I think I'm the one -- I asked Sloan and
6 Eggleston to come to the meeting, my staff members.
7 Normally when I go to a meeting on any subject, I take with
8 me a staff member or staff members who are working with me
9 on the subject and I'm the one, I think, who asked Lindsey
10 to come. I think I'm the one who asked Lindsey. I'm not
11 positive of that. I had this recollection of having
12 Lindsey's office call since it was going to be in my office
13 or maybe I discussed that with Gearan. It's quite possible
14 that when Gearan and I talked, we discussed who should
15 attend the meeting. We both agreed Bruce Lindsey should
16 attend the meeting and I said okay, I'll call him.

17 Q Did Mr. Gearan come with anybody?

18 A No, I don't think so.

19 Q Did he ask to bring anybody?

20 A I don't remember him asking to bring anybody.

21 Q At this meeting, the people from the White House
22 were yourself, Mr. Eggleston, Mr. Sloan, Mr. Lindsey and

1 Mr. Gearan; correct?

2 A That's what my memory is.

3 Q And Mr. Gearan was the only person from the
4 communications office at the meeting; correct?

5 A He's the only person, yes, that's correct.

6 Q And he came late?

7 A He came in like 10 or 15 minutes late, but I
8 don't think we really began the meeting in any significant
9 way until he showed up.

10 Q Now, in that meeting, do you recall -- is it a
11 fact that Mr. DeVore -- let me withdraw the question.

12 In that meeting, did Mr. DeVore report on what
13 The New York Times reporter had said to him about the story
14 that the reporter was pursuing?

15 A Yes.

16 Q And was the gist of what the reporter had said to
17 Mr. DeVore was that the reporter was aware the referrals
18 had been sent from the Kansas City office to the RTC to the
19 Washington office of the RTC?

20 A Yes, that was part of what Mr. DeVore said
21 Mr. Gerth was saying.

22 Q Did Mr. Gerth suggest there was something

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1 irregular about that?

2 A Yes. As reported to us by Mr. DeVore, Mr. Gerth
3 was raising questions about whether that was proper.

4 Q Did Mr. DeVore, at that point or shortly
5 thereafter, tell you that he had actually confirmed with
6 the RTC that the referrals had been received in the
7 Washington office but had already been forwarded on to the
8 Little Rock U.S. Attorney's office?

9 A What I remember is Mr. DeVore telling us that he
10 was going to. Maybe he said he already had, but what I
11 remembered, he was going to tell Mr. Gerth -- this was, I
12 think, the strongest thing I remember from this meeting --
13 that he was going to tell Mr. Gerth that while the referral
14 had gone to Washington, it had already been sent on to
15 Little Rock, and it was sent to Little Rock prior to the
16 time Mr. Gerth had ever called.

17 Q And did Mr. DeVore tell you he knew it had been
18 sent to Little Rock because he confirmed that with the RTC?

19 A I don't recall whether or not he said that. I
20 don't know. I just don't have any memory of that
21 language. Obviously, he knew -- he clearly was indicating
22 to us that he knew that the referral had already been sent

1 on, that the referral had already been sent on to Little
2 Rock.

3 Q He indicated that he had told or wanted to tell
4 the reporter it had been sent down to Little Rock and it
5 had been sent down before the reporter made his first call;
6 correct?

7 A Correct.

8 Q Did you raise an objection to his confirming that
9 fact with the reporter?

10 A I don't recall raising an objection. What I
11 vaguely recall is discussion at the meeting in which I may
12 have participated, although I don't know, to a very limited
13 extent because I didn't speak a lot at this meeting,
14 discussion about whether or not it is normal or proper
15 procedure or abnormal or improper procedure to confirm the
16 existence of criminal referrals, and what I remember, at
17 least the Treasury people saying or DeVore saying, I think,
18 is something to the effect that it's not abnormal under
19 certain circumstances to confirm the existence of a
20 criminal referral, and that's sort of my knowledge, too.

21 I know from time to time our U.S. Attorney's
22 office or the SEC or various agencies will, under certain

1 circumstances, in a highly visible case or things like
2 that, will sometimes confirm the existence of a criminal
3 referral, but it was sort of left hanging, what really is
4 the correct procedure and the proper procedure. I remember
5 that issue being discussed along the lines I just
6 described.

7 Q Did someone suggest that Mr. DeVore should not
8 actually tell the reporter there had been a referral but
9 simply say something off the record?

10 A I have a vague recollection that that possibility
11 might have been discussed, but I don't think Mr. DeVore
12 received any such direction.

13 Q Wasn't there a concern expressed that for
14 Mr. DeVore to confirm that the referral had been made would
15 be to release nonpublic information?

16 A I don't recall whether or not that concern was
17 raised. It may have been.

18 Q Did you wonder why the RTC wasn't represented at
19 the meeting?

20 A Ms. Hanson was at the meeting. Roger Altman was
21 the acting chief executive officer of the RTC. I believe
22 Ms. Hanson, in her role as general counsel to the Treasury

1 Department, but also Mr. Altman could reach out to anyone
2 he wished to assist him in his position as acting CEO of
3 the RTC, so I didn't wonder about that issue.

4 Q Is it your belief that Mr. Altman knew about the
5 meeting?

6 A I had no belief with respect to that. I didn't
7 know.

8 Q Did you understand that there was a distinction
9 between the RTC and the Department of the Treasury?

10 A There is a distinction, yes.

11 Q Did you understand that the statute that governs
12 the RTC specifically delineates certain responsibilities
13 that are those of the RTC on case-specific matters that are
14 not to be supervised by the thrift oversight board on which
15 the Secretary of the Treasury sits as chairperson?

16 A I don't know specifically what you're referring
17 to. If you want to show me a copy of the statute, I'll
18 look at it. I am not sure what you're referring to.

19 Q Did you believe it appropriate to have the White
20 House offer any advice to Treasury or the RTC concerning
21 the manner in which they should handle a request for
22 information about an RTC criminal referral?

1 MR. PEDOWITZ: Could I have the question read
2 back.

3 (The reporter read the record as requested.)

4 THE WITNESS: I don't believe we offered advice
5 at that meeting to the Treasury as to how to respond.
6 Obviously, they described what they were being told by The
7 New York Times; DeVore, I'm talking about. He described
8 what he was going to say to The New York Times. We weren't
9 seeking to direct him at that meeting as to how to
10 respond.

11 Obviously, there was a discussion. There were
12 comments made, but there was no intention, at least on my
13 part nor do I believe on anybody else's part, to direct him
14 how to respond. They would respond as to what they thought
15 would be appropriate in the final analysis, but we didn't
16 order them in any way, shape or form as to how to respond.
17 The purpose of the meeting was for them to tell us what was
18 being told to them and what they were going to say. So
19 when people finally came to us inevitably, then we can know
20 that in formulating your response to the press.

21 BY MR. CHERTOFF:

22 Q Do you have an E-mail hookup between the White

1 House and Treasury?

2 A I don't know.

3 Q Is there a service that moves written memos
4 between Treasury and the White House?

5 A The answer is I don't know. I don't use E-mail.
6 I don't use those newfangled kind of things.

7 MR. PEDOWITZ: Off the record.
8 (Discussion off the record.)

9 THE WITNESS: I don't know.

10 BY MR. CHERTOFF:

11 Q Do you have telephone service between the White
12 House and Treasury?

13 A Yes, we do.

14 Q Was there any reason that you were aware of that
15 Mr. DeVore simply couldn't call Mr. Gearan and relay the
16 content of a press call or press inquiry?

17 A He could have done that.

18 Q Did you believe it was necessary to have
19 Mr. Lindsey and yourself and Mr. Gearan there simply in
20 order to have Mr. DeVore repeat what Mr. Gerth had told
21 him?

22 A Yes, yes. Do you want to know the reason for

1 that?

2 Q Sure.

3 A The reason for that is that's the way I wanted
4 the investigative or adjudicative matters which I
5 considered sensitive. That's the way I wanted the White
6 House to operate basically. One of the problems, frankly,
7 with DeVore having called Gearan on the phone is I wouldn't
8 be on the conversation. No one from the counsel's office,
9 of course, could be on a conversation.

10 This is the way I wanted things to work. I
11 wanted things to work -- this is what my memo is
12 contemplating, these kind of things. Treasury, or whatever
13 the agency comes over, meets with the appropriate people at
14 the White House with respect to this thing for the official
15 public purpose for responding to press inquiries and I'm
16 there or somebody from my staff is there who is
17 knowledgeable of these areas to make sure that we don't go
18 beyond what we're supposed to do or supposed to know.

19 Q Were you supposed to be -- was the White House
20 supposed to be advising the Department of Treasury on how
21 to respond to a request for information from The New York
22 Times about these referrals?

1 A Well, as I said earlier, I don't think the -- the
2 primary purpose of the meeting was not to advise the
3 Treasury Department how to respond. It was to hear what
4 their response would be so we could formulate our response.

5 Q Did people from the White House make suggestions?

6 A They may have. They may have.

7 Q As a practical, common-sense matter, is it your
8 understanding that when someone from the White House makes
9 a suggestion to someone from another department of the
10 government that has a lot of weight?

11 A Not always.

12 Q Did you think that Mr. DeVore was unaware of who
13 Mr. Lindsey was?

14 A No, he was aware of who Mr. Lindsey was.

15 Q Was it your understanding that Mr. DeVore and
16 Ms. Hanson was aware that Mr. Lindsey was a close, very old
17 friend of the president?

18 A I'm sure they were aware of it.

19 Q Very high ranking person at the White House?

20 A Absolutely.

21 Q Do you recall a statement by Mr. DeVore that the
22 RTC believed that funds from the cashier's checks that had

1 been deposited at the campaign had come from Madison
2 Guaranty to a Republican but supposedly the Republican was
3 unaware that some of the loan funds had been diverted?

4 A I don't recall any such statement by Mr. DeVore.
5 You're saying a statement by Mr. DeVore about what the RTC
6 believed?

7 Q Yes.

8 A No. All Mr. DeVore was conveying was what
9 information he received from Mr. Gerth, not information
10 that he received from the RTC.

11 Q Mr. Nussbaum, did Mr. Gerth -- was it your
12 understanding that Mr. Gerth had told Mr. DeVore that the
13 referrals had been moved out of Washington to the U.S.
14 Attorney's office in Little Rock?

15 A That Mr. Gerth --

16 Q Told Mr. DeVore that the referrals had moved from
17 Washington to Little Rock?

18 A No. Mr. DeVore told us that's what he was going
19 to tell Mr. Gerth.

20 Q That was information Mr. Gerth didn't know;
21 right?

22 A That was information that Mr. Gerth did not know

1 when he called Mr. DeVore. He was going to be told that.

2 Q That's information that Mr. DeVore told you?

3 A That's correct.

4 Q Did you know who the U.S. Attorney in Little Rock
5 was?

6 A At that time? I'm not sure I did.

7 Q Was it Paula Casey?

8 A Obviously I know she was the U.S. Attorney in
9 Little Rock. I don't have the time frame in mind. She may
10 have been at the U.S. Attorney's office.

11 Q Did she clear through your office prior to her
12 appointment?

13 A U.S. Attorneys -- we didn't clear U.S. Attorneys'
14 appointments. U.S. Attorney appointments we left it to the
15 Department of Justice. They had a procedure there. I
16 don't recall -- I remember early in the administration we
17 had a discussion of this. Judicial appointments are all
18 cleared through our office but U.S. Attorney appointments,
19 we basically left -- somebody in the White House was
20 working on U.S. Attorney appointments. Somebody in White
21 House personnel was working on U.S. Attorneys appointments,
22 but they did not clear them through our office as a matter

1 of course.

2 Q Had you ever spoken to Paula Casey?

3 MR. PEDOWITZ: Had he as of the date of October
4 14?

5 MR. CHERTOFF: Yes.

6 THE WITNESS: No, I did not.

7 BY MR. CHERTOFF:

8 Q Did you speak to Paula Casey about these
9 referrals?

10 A No.

11 Q You direct anybody else to?

12 A No.

13 Q Were you aware of any such discussions?

14 A No, I was not aware of any such discussions.

15 Q Did you tell the people at the meeting on October
16 14th about your conversation -- let me withdraw the
17 question.

18 Before, when you spoke to Mr. Gearan on the 13th,
19 did you tell him there had been a meeting that you had had
20 with Ms. Hanson on the 29th concerning this matter?

21 A I don't remember whether I said that or not. I
22 might have. I don't think so. When he called me, it

1 didn't surprise me because I had heard about the referrals,
2 and I heard about the potential for leaks and sure enough,
3 this was a confirmation that the leaks had begun.

4 Q When was David Kendall hired by the president as
5 his personal attorney regarding Whitewater?

6 A I don't recall specifically. Williams &
7 Connolly, his firm, Bob Barnett had been on board, so to
8 speak, as the president's private attorney with respect to
9 certain matters from the very beginning of the
10 administration, or virtually from the beginning of the
11 administration. They were working with Vince, for example,
12 Vince Foster, with respect to certain financial matters. I
13 don't remember when Kendall came on the scene.

14 Q Do you remember when Williams & Connolly was
15 retained?

16 A I believe early in 1993.

17 Q Early in 1993?

18 A Early in 1993, because I remember Foster working
19 with Bob Barnett, who is a partner at Williams & Connolly.

20 Q Did you have any conversations with anybody at
21 Williams & Connolly during 1993 concerning Whitewater?

22 A During 1993?

1 Q During 1993.

2 A Yes, I had conversations with David Kendall
3 toward the end of 1993.

4 Q When did those conversations begin?

5 A They began -- they began around --

6 MR. PEDOWITZ: Maybe I should ask. Mike, in
7 terms of scope, I'd like to understand what the linkage is
8 here in terms of what we're about to --

9 MR. CHERTOFF: Two separate distinct and
10 sufficient linkages. One is there's some evidence from
11 which one can draw the inference that Mr. Nussbaum had
12 possession of nonpublic information and of course, the
13 question of the way that was handled is directly
14 pertinent.

15 Second and, frankly, probably even more
16 important, the question concerning the meeting of
17 February 2nd and the discussion about recusal, and the
18 propriety of that goes directly to Mr. Nussbaum's state of
19 mind as well as the state of mind of others participating
20 in conversations and knowledge he had concerning the
21 president's concerns, or work with private counsel in the
22 period of time before February 2nd is highly pertinent to

1 what his state of mind was in having the conversations.

2 MR. PEDOWITZ: So Mike, give me some sense as to
3 where we're going after we get past the dates on which
4 Kendall was retained. Are you going to -- are you going to
5 make an effort to inquire into Mr. Nussbaum's conversations
6 with Mr. Kendall concerning Whitewater?

7 MR. CHERTOFF: I may to a degree, yes.

8 THE WITNESS: I think we should consult.

9 MR. PEDOWITZ: No. I think we have to consult
10 the White House as to whether or not, one, they felt this
11 was within the scope of the hearings. And two, whether or
12 not there is a privilege that should be asserted with
13 respect to those conversations because --

14 MR. CHERTOFF: Let me put the first aside. What
15 would be the privilege in a conversation between White
16 House counsel and a private attorney.

17 MR. PEDOWITZ: Michael, I don't have any idea
18 whether the White House would assert a privilege. But my
19 discomfort as a lawyer without having a direction is
20 whether or not it would be perceived that these are joint
21 interest conversations insofar as Mr. Nussbaum represents
22 the president in his official capacity and another lawyer

1 is representing him in his individual capacity, and I would
2 have a great deal of discomfort letting him answer these
3 questions until I had a discussion with counsel's offices
4 as to whether or not they were confidential.

5 MR. CHERTOFF: Let me do this. I'm going to ask
6 some questions. At the point you want to object we'll stop
7 and we'll move on to something else but with the
8 understanding that I'm going to want to come back to that
9 and at a convenient time we can break and you can call the
10 White House.

11 MR. PEDOWITZ: If I can get their attention. I
12 just don't know.

13 MR. CHERTOFF: It's Sunday, I mean.

14 MR. CODINHA: I'll bet you'll get their
15 attention.

16 MR. PEDOWITZ: I may.

17 MR. CHERTOFF: If there are particular questions
18 you want to object to, I'll ask the reporter to make a note
19 of where they are so we can come back to them later. But I
20 don't want to stop now. I'd like to try to move on.

21 MR. PEDOWITZ: You understand I also have a scope
22 objection.

1 MR. CHERTOFF: I understand.

2 MR. PEDOWITZ: Do you have a position with
3 respect to this?

4 MR. CODINHA: I'll wait for the question, and
5 then I will determine whether a scope issue is appropriate.

6 BY MR. CHERTOFF:

7 Q I think the pending question was when did you
8 first have conversations with Mr. Kendall concerning
9 Whitewater.

10 A I'm thinking. Can you refresh me as to when he
11 came on -- do you know when he came on the scene?

12 Q I don't know when he came on.

13 A My best memory is sometime in December of 1993
14 when newspaper stories began to be written about transfer
15 of a Whitewater file from Foster's office to Williams &
16 Connolly ultimately, but it could be earlier than that. I
17 just don't remember. It could be earlier.

18 Q At whose direction did you have the
19 conversations?

20 A At no one's direction. At mine.

21 Q Did you seek Mr. Kendall out on your own
22 initiative?

1 A Issues arose during that period as to what the
2 president's response should be --

3 MR. PEDOWITZ: I'm going to object, both as to
4 scope, and I don't think you should be discussing how the
5 issues arose because I don't know how those issues came to
6 arise and until I discuss --

7 MR. CHERTOFF: I only asked the question at whose
8 initiative, and that's the only answer I'm interested in
9 for this question.

10 BY MR. CHERTOFF:

11 Q Was it your initiative, was it Mr. Kendall's
12 initiative or was it someone else's initiative?

13 A It was both our initiatives, mine and
14 Mr. Kendall's.

15 Q Did you notify the president that you were going
16 to have this meeting?

17 MR. PEDOWITZ: Objection as to scope and
18 objection subject to discussion with the White House with
19 respect to privilege.

20 BY MR. CHERTOFF:

21 Q How many times did you meet with Mr. Kendall in
22 1993? Was it every day or was it less regular in December?

1 A A fair amount. I don't remember. Let's discuss
2 it among us.

3 (Witness conferred with counsel.)

4 (Discussion off the record.)

5 (The reporter read the record as requested.)

6 MR. PEDOWITZ: We're going to object to this
7 question.

8 MR. CODINHA: I think it was answered. I have an
9 answer that there was a fair number of conversations and
10 then there was a recess taken.

11 MR. PEDOWITZ: We're going to object to this line
12 of inquiry on the grounds that it is beyond the scope of
13 the committee's resolution.

14 BY MR. CHERTOFF:

15 Q Did you take care in your discussions with
16 Mr. Kendall not to reveal anything Ms. Hanson had told to
17 you on September 29th?

18 MR. PEDOWITZ: This is, of course, after
19 newspaper articles that appeared about all of these
20 subjects? Is there something that isn't in the public
21 domain at this point, Michael, that you're referring to?

22 MR. CHERTOFF: I'm just asking the witness a

1 question.

2 BY MR. CHERTOFF:

3 Q Did you take care in your conversations with
4 Mr. Kendall not to reveal any information you had obtained
5 from Ms. Hanson on September 29th or Mr. Sloan had obtained
6 from Ms. Hanson later that was nonpublic?

7 MR. PEDOWITZ: Of course, he's testified that he
8 doesn't know what that is.

9 MR. CHERTOFF: I'm just asking.

10 THE WITNESS: At no time do I recall telling
11 Mr. Kendall or conveying to Mr. Kendall any nonpublic
12 information that I received from any government official.

13 BY MR. CHERTOFF:

14 Q Did you take steps after you began your meeting
15 with Mr. Kendall to make sure that the information flow
16 from the Department of Treasury to you or to your
17 subordinates was regulated to make sure no more nonpublic
18 information would be transmitted?

19 MR. PEDOWITZ: Could I have that question read
20 back, please.

21 (The reporter read the record as requested.)

22 MR. ZIMROTH: Excuse me. Did you say no more?

1 MR. PEDOWITZ: Objection to the form of the
2 question.

3 MR. CHERTOFF: I believe the September 29 meeting
4 involved the transmission of nonpublic information.

5 BY MR. CHERTOFF:

6 Q Did you take steps after you began to meet with
7 Mr. Kendall to ensure that any future contacts between the
8 Treasury and the White House would be regulated so that no
9 nonpublic information would be transmitted?

10 A To the White House?

11 Q From Treasury to the White House.

12 MR. PEDOWITZ: I don't understand that question.
13 Could you read it back.

14 THE WITNESS: Neither do I. Let me just say
15 this --

16 BY MR. CHERTOFF:

17 Q Let me ask the question again, Mr. Nussbaum.
18 After you started to meet with Mr. Kendall, did you take
19 some steps to make sure in the future no nonpublic
20 information would be transmitted from the Treasury
21 Department or the RTC to anybody at the White House?

22 MR. PEDOWITZ: Concerning what?

1 MR. CHERTOFF: Whitewater and Madison.

2 THE WITNESS: I don't know of any nonpublic
3 information concerning Whitewater that came from Treasury
4 to the White House following the times I began having
5 discussions with Mr. Kendall.

6 BY MR. CHERTOFF:

7 Q What about concerning Madison?

8 A Or Madison.

9 Q Well, I'm asking you, did you take steps to make
10 sure that from the time you began talking to Mr. Kendall
11 that no nonpublic information would be transmitted from
12 Treasury or RTC to the White House?

13 A Steps -- I guess what I'm saying is steps were
14 unnecessary because I don't know of any nonpublic
15 information. I don't know of any nonpublic information
16 that came from Ms. Hanson to Treasury to the White House
17 following my conversation with Mr. Kendall.

18 Q Mr. Nussbaum, when you started to meet with
19 Mr. Kendall, did you say to yourself we have to be more
20 careful in terms of any dealings with Treasury or the RTC
21 at this point?

22 A No, I didn't say to myself we have to be more

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1 careful because we were always going to be more careful.

2 We're always going to act appropriately.

3 Q Did you instruct anybody at the White House to
4 take care that in any contacts with Treasury, no nonpublic
5 information should be transmitted from Treasury, yes or no?

6 A I understand. No, because it wasn't necessary
7 because we were always cautious and we were always careful.

8 Q In January 1994, you had a discussion with
9 Mr. Klein concerning a conversation the president had had
10 with Mr. Ludwig, and you testified about that yesterday;
11 correct?

12 A Yes.

13 Q And before your testimony yesterday, did you read
14 any accounts in the newspapers concerning a recent
15 interview the president had given about that conversation?

16 A Did I read in the newspapers an account the press
17 had been given about that conversation, yes, I did.

18 Q In your mind yesterday when you testified, you
19 had a familiarity with the fact that within the last week
20 the president has publicly given his own account of his
21 January 1994 conversation with Mr. Ludwig?

22 A Correct.

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1 Q Now, let me shift back to January 1994.

2 MR. PEDOWITZ: Can we take a time-out just for a
3 second and get a cup of coffee?

4 MR. CHERTOFF: Oh, sure.

5 (Pause.)

6 BY MR. CHERTOFF:

7 Q Directing your attention back to January 1994,
8 now, you had a conversation with Mr. Klein in January
9 concerning the president's discussion with Mr. Ludwig;
10 correct?

11 A Yes.

12 Q And the conversation took place in the White
13 House?

14 A Yes.

15 Q Mr. Klein came in to see you?

16 A I believe so. I'm a little vague on this, but I
17 believe so.

18 Q Mr. Klein described the conversation to you;
19 correct?

20 A No. All I remember -- my memory -- you can ask
21 Klein obviously for his memory -- but my memory is Klein
22 came in and said the president and I and Gene Ludwig are at

1 Renaissance. The president sought to talk to Gene Ludwig
2 and asked him with respect to some advice in connection
3 with the Whitewater matter. I don't know advice with
4 respect to what. He didn't say advice with respect to the
5 matter, with respect to the law, with respect to getting
6 experts or other people to deal with this thing. I don't
7 remember what was said particularly in that regard. Very
8 minimal. He said advice in some sort of general way, and
9 he told the president and he told Ludwig that it's better
10 they don't talk about it. I said perfect. That's fine.

11 Q In your conversation with Mr. Klein, did he
12 explain to you why he told the president that he shouldn't
13 have any more conversations with Mr. Ludwig about this;
14 correct?

15 A I don't remember what he said, if he said
16 anything as to why he told them. He just said he told
17 them.

18 Q In his discussions with you, he told you his
19 opinion was it was a bad idea for the president to talk to
20 someone from Treasury about this; correct?

21 A Yes, I think he said that.

22 Q That's because it would create an appearance of

1 interference or impropriety; correct?

2 MR. PEDOWITZ: Is that a question about what
3 Klein said?

4 BY MR. CHERTOFF:

5 Q Yes, that's a question about what Klein -- in
6 substance, he conveyed to you that it would create an
7 appearance of impropriety; correct?

8 A I don't recall Klein using the terminology
9 "appearance of impropriety."

10 Q What terminology did he use?

11 A It's a bad idea. When the President of the
12 United States talks to anybody, it's a sensitive thing.
13 It's the President of the United States. If anything
14 inappropriate -- we discussed this yesterday -- if anything
15 appropriate has to be done by the White House with respect
16 to this matter, anything proper, legal, ethical, the
17 president shouldn't do it. This is a job for his official
18 lawyers, his White House counsel, me or Klein or for his
19 private lawyers. Just keep the client -- private clients,
20 your official clients out of this thing. That's the
21 context which this came up, not this appearance of
22 impropriety issue.

1 Q Are you expressing your own opinion here?

2 A I'm expressing my own opinion.

3 Q This was your opinion as of January 1994?

4 A Yes.

5 Q In January 1994, did you believe the problem with
6 the presidential conversation with Mr. Ludwig was simply
7 the problem of not having the client talking to other
8 people besides his lawyer?

9 MR. PEDOWITZ: Let's separate out a question.
10 Are we talking now about the actual conversation that took
11 place between the president and Mr. Ludwig, or what the
12 president was asking him to do in the future that he
13 declined to do?

14 MR. CHERTOFF: Let me rephrase the question.

15 BY MR. CHERTOFF:

16 Q You had a conversation with Mr. Klein in January
17 1994; correct?

18 A Yes.

19 Q It had to do with the conversation that
20 Mr. Ludwig and the president had had previously; correct?

21 A Yes.

22 Q It had to do also with Mr. Klein's advice to the

1 president that he should not speak to Mr. Ludwig in the
2 future; correct?

3 A Yes.

4 Q You agreed with that advice; correct?

5 A Yes.

6 Q I'm trying to probe into your opinion or your
7 reason for giving that advice. Was it your opinion that
8 the president should not talk to Mr. Ludwig about
9 Whitewater matters based on the fact that the president was
10 a client and shouldn't be talking to people other than his
11 lawyers about the matter? Was that the basis of your
12 opinion?

13 A Yes. That was one of the most significant bases
14 of my opinion, yes.

15 Q Was another basis for your opinion that there's
16 an appearance problem when the President of the United
17 States talks about a matter in which he has a personal
18 interest with an official of the agency that has a
19 relationship with the investigators on that matter?

20 A Depending on the facts and circumstances,
21 depending on what the conversation is, there could be an
22 appearance problem, yes.

1 Q Now, I believe yesterday you indicated that you
2 were concerned about press criticism. Was that your term?

3 A I am concerned from time to time about it. I
4 haven't been terribly concerned about it.

5 Q Were you concerned about press criticism
6 concerning presidential conversations?

7 MR. PEDOWITZ: This conversation or are we
8 talking about the future conversations that might take
9 place.

10 BY MR. CHERTOFF:

11 Q During your conversation with Mr. Klein. During
12 this conversation with Mr. Klein, were you concerned about
13 press criticisms concerning future contacts between the
14 president and Treasury officials?

15 A Between the president himself? I was concerned
16 about press criticism, but that's not my primary -- that
17 wasn't a major concern with respect to this. I mean, I may
18 have said it yesterday. I don't quite remember precisely
19 what I said with respect to that. That wasn't my major
20 concern. My major concern was what I said yesterday to
21 Mr. Codinha. We said earlier, if there's something to be
22 done with respect to this kind of matter, the lawyer should

1 do it in a proper and appropriate fashion. That was my
2 basic thrust.

3 Q In respect to what kind of matter?

4 A At this point, the Whitewater matter had become a
5 matter of -- this is the end of December, beginning of
6 January. There's a big outcry that had arisen for the
7 appointment of a special counsel, various things like
8 that. This kind of matter is sensitive, high visibility
9 matter. The client shouldn't have direct discussions with
10 anybody. He should have discussions with his lawyer with
11 respect to this kind of thing. That's what I believe in
12 the private world. That's what I believe in the public
13 world. That's what was driving me.

14 Q At this point, the Whitewater matter began to
15 mushroom within the White House?

16 A It began to occupy the White House somewhat more.

17 Q Was it your understanding the president was
18 spending time thinking about it?

19 A Yes, the president was spending time thinking
20 about it.

21 Q Was it your understanding that the first lady was
22 spending time thinking about it?

1 A She was spending sometime thinking about it, too.

2 MR. PEDOWITZ: Now we're in January of 93.

3 MR. CHERTOFF: Correct.

4 BY MR. CHERTOFF:

5 Q In January of '94, did you talk to the president
6 or the first lady concerning whether they were targets of
7 any investigation?

8 MR. PEDOWITZ: I don't feel comfortable letting
9 him answer questions about conversations with the president
10 and first lady unless we first have the conversation with
11 the White House and I get some sense from the two of you
12 about whether or not you feel that this line of inquiry,
13 and that question specifically, is within the scope of the
14 resolution of the Senate Banking Committee.

15 BY MR. CHERTOFF:

16 Q We had testimony earlier from the witness
17 concerning the fact that back in 1993, he would have felt
18 it appropriate to advise the president about whether the
19 president was a target, so it seems to me we've already
20 gotten into this area, and now that I'm pursuing
21 essentially the same question into 1994, it seems to me --
22 I don't understand now how it becomes objectionable.

1 MR. PEDOWITZ: It was certainly in the context
2 earlier, not of a conversation that actually occurred but
3 about the witness's sense of whether or not it would have
4 been sufficiently important to advise the president;
5 correct?

6 MR. CHERTOFF: Let me rephrase the question this
7 way.

8 BY MR. CHERTOFF:

9 Q Did you advise the president or talk to the
10 president or the first lady in January of 1994 about
11 whether they were not targets?

12 MR. PEDOWITZ: Again, I think it's the same
13 objection, and Mr. Codinha, I appreciate an expression
14 of --

15 MR. CODINHA: At this point, I think I will raise
16 a scope objection unless the question is did he convey
17 information that was received through Treasury to the
18 president, in which indication I will withdraw the scope
19 objection, Treasury, RTC.

20 MR. CHERTOFF: I'm not withdrawing my question.
21 I understand we'll address it later.

22 BY MR. CHERTOFF:

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1 Q But I will ask you in any conversations with the
2 president or the first lady -- let me ask you, did you have
3 any conversation with the president or the first lady in
4 January of 1994 in which you explicitly or implicitly
5 referred to your understanding as of late September 1993
6 concerning their status in a criminal referral?

7 MR. CODINHA: Again, I have a scope objection
8 unless it refers to information that was derived either
9 directly or indirectly through Treasury or RTC and that's
10 the reading that I have of Senate Resolution 229.

11 MR. CHERTOFF: I'll ask the question again. I
12 thought I had made it clear.

13 BY MR. CHERTOFF:

14 Q The question is this: In January 1994, did you
15 have a conversation with the president or the first lady in
16 which you referred directly or indirectly to the
17 information you had received from Jean Hanson on
18 September 29, 1993?

19 A No.

20 Q Let me ask you this: Did you volunteer to
21 participate in the activities of this group that we've
22 referred to as the Whitewater response group?

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1 A I didn't volunteer or not volunteer. I was
2 naturally a part of that group. It concerned legal
3 investigative-type issues on a person in the White House.
4 I was most experienced, along with some others, with
5 respect to these type of matters, and it was natural that I
6 would be asked to participate and it was natural that I
7 would participate.

8 Q At that point, did you take any steps to limit
9 any communications you might have with Treasury or RTC
10 officials concerning Whitewater?

11 MR. PEDOWITZ: Mike, the link is always in
12 essence because of your involvement in the Whitewater
13 response group, did you then feel that you should take
14 additional steps along the lines that you've suggested?

15 MR. CHERTOFF: I'll ask it again.

16 BY MR. CHERTOFF:

17 Q After you became involved in the meetings what
18 we've referred to as the Whitewater response groups, did
19 you take any steps to limit your contact with Treasury or
20 RTC officials concerning Madison or Whitewater?

21 MR. PEDOWITZ: The question, again, is one that
22 has to do with chronology; that is, after a particular

1 event, did you do such and such?

2 MR. CHERTOFF: That's exactly what I just said.

3 MR. PEDOWITZ: I understand the question, but is
4 it your intent to sort of link that in terms of cause and
5 effect?

6 MR. CHERTOFF: Is there an objection to the
7 question because I --

8 MR. PEDOWITZ: I think we got into a great deal
9 of confusion before based on a very similar line of
10 inquiry, but if you want to ask that question, go ahead.

11 BY MR. CHERTOFF:

12 Q I'm asking chronologically, after the point you
13 began getting involved in the Whitewater response group,
14 did you take any steps to limit your contacts or those of
15 your subordinates with Treasury or RTC officials concerning
16 Madison or Whitewater?

17 A No, because it was neither necessary nor
18 warranted to do so.

19 Q And you saw no potential problem in your having
20 contacts with Treasury or RTC officials about Whitewater or
21 Madison at the same time you were meeting with the
22 Whitewater response group about their handling the matter

1 in the White House. Is that your testimony?

2 A We didn't have contacts with Treasury or RTC
3 officials subsequent to September 29th with respect to the
4 substance of any inquiries or referrals or anything being
5 conducted. At no time did we meet with people from
6 Treasury or RTC with respect to the substance of the
7 investigations. That was true from September 29th on,
8 basically.

9 There's some sort of suggestion in your
10 question. That's why I was sort of resisting that there
11 was sort of a process going on which perhaps was improper
12 once I became part of a so-called Whitewater response
13 team. There was no such process going on in the first
14 place so there was no need to change anything.

15 Q I'm simply asking you, Mr. Nussbaum, after you
16 became involved with the Whitewater response team, whether
17 you took any steps to insulate yourself from any
18 information that might come from the Department of Treasury
19 or the RTC? Did you take a precautionary step?

20 MR. PEDOWITZ: He answered that question no.

21 BY MR. CHERTOFF:

22 Q Is that the answer?

1 A The answer is no, and because it wasn't
2 necessary.

3 Q You testified also yesterday concerning your
4 awareness of an occasion on which Ms. Varney advised
5 Secretary Bentsen not to come over and participate in a
6 meeting about Whitewater. Do you recall that testimony?

7 A Yes. I remember she told me -- at some point in
8 time, she told me she had advised Secretary Bentsen not to
9 participate in a meeting in which Whitewater was going to
10 be discussed, and I said that's a good idea.

11 Q Was this a meeting in which members of the
12 Whitewater response group were going to participate?

13 A I don't recall.

14 Q Was the conversation with Ms. Varney before or
15 after your conversation with Joe Klein concerning the
16 Ludwig conversation at Renaissance Weekend?

17 A I don't recall that.

18 Q Was it around the same time?

19 A Yes.

20 Q Was it in January?

21 A It was probably in January.

22 Q Did you tell Ms. Varney she was correct in having

1 advised Secretary Bentsen not to attend?

2 A Yes.

3 Q Was this a meeting at which the president it was
4 supposed to attend?

5 A I don't know.

6 Q After your conversation with Ms. Varney, did you
7 send a memo in writing or did you orally advise other
8 people that Treasury officials should be kept away from the
9 Whitewater matter?

10 A No.

11 Q Did you know, or did you have any awareness in
12 January of 1994 about a meeting between Secretary Bentsen
13 and Mr. Stephanopoulos concerning Whitewater?

14 A Do I have any knowledge of that?

15 Q Yes.

16 A When was it?

17 Q January 1994, early.

18 A No, I didn't have knowledge of such a meeting.

19 Q In your conversation with Ms. Varney concerning
20 the occasion on which the secretary was advised not to
21 attend the Whitewater meeting, was it your understanding at
22 that point that the problem with the secretary attending

1 such a meeting is it would create a bad appearance?

2 A Let me discuss this.

3 (Witness conferred with counsel.)

4 MR. PEDOWITZ: Can we have a moment, please.

5 (Witness conferred with counsel.)

6 THE WITNESS: What's the question?

7 (The reporter read the record as requested.)

8 THE WITNESS: Depending upon what happened at the
9 meeting, which he never attended, that is a possibility,
10 but you have to know all the facts and circumstances. What
11 she was doing was sort of acting in a prophylactic way, not
12 even to have to deal with that issue so I thought she gave
13 prudent advice to Secretary Bentsen.

14 BY MR. CHERTOFF:

15 Q So you agreed it was advisable not to have the
16 secretary attend a meeting on Whitewater because it could
17 create an appearance of interference or undue influence?

18 A No. It depends on what would happen at the
19 meeting. It depends on what would happen at the meeting,
20 and I frankly was uncomfortable about people meeting on
21 issues like this unless counsel was present. If I was
22 present or somebody I trusted from my office was present

1 and could assure that communications would be proper, that
2 official purposes were being served, that no attempt was
3 being made to direct or influence the investigation, then
4 there's nothing wrong with the meeting.

5 The mere fact of a meeting doesn't create an
6 appearance of impropriety. It depends on the facts and
7 circumstances, the reason for the meeting, who was at the
8 meeting, what's being discussed at the meeting. There's no
9 such thing, to me, as some sort of appearance of
10 impropriety in the sky. It depends on the facts and
11 circumstances. I think that's what the ethics law -- it
12 depends on what a reasonable person knowing the facts and
13 circumstances would believe.

14 Q Was it your view that there would be an
15 appearance of impropriety to have a Treasury official --
16 let me withdraw it. I'll come back to that later on.

17 Let me ask you whether you participated in
18 meetings of the health care working group.

19 A Infrequently.

20 Q Did you participate in meetings at which the
21 first lady and Roger Altman were present to discuss the
22 health care issue in January of 1994 or December of 1993?

1 A I don't recall being present at that time.

2 Q Was a representative of your office present?

3 A Perhaps.

4 Q Were you aware of conversations that occurred in
5 those meetings?

6 A Concerning what, health care?

7 Q I'm just asking generally. Were you informed of
8 the content of conversations?

9 A I have no recollection at this time.

10 Q Were you aware of any conversation between
11 Ms. Williams -- do you know who Maggie Williams is?

12 A Yes, I do.

13 Q She was chief of staff to the first lady?

14 A Yes.

15 Q In January 1994 or December 1993, were you
16 concerned about any conversations between Ms. Williams and
17 Mr. Altman about the fact that the Whitewater investigation
18 was paralyzing the first lady?

19 A I didn't know about -- you're making an
20 assumption.

21 Q I'm asking if you're aware of such a
22 conversation.

1 MR. PEDOWITZ: You didn't ask him that.

2 THE WITNESS: You asked if I was concerned about
3 it which makes the assumption --

4 BY MR. CHERTOFF:

5 Q I'm sorry. Were you aware of such a
6 conversation?

7 A No.

8 Q Were you aware of a conversation between
9 Ms. Williams and Mr. Altman in which Mr. Altman was told if
10 Whitewater was not resolved very, very soon, that the whole
11 health care agenda might fall apart, in substance?

12 A No.

13 Q Were you aware of any conversation in your
14 mind -- let me withdraw the question.

15 In your mind, did you have an understanding that
16 the Whitewater investigation, if it continued, threatened
17 the ability of the president and the first lady to focus
18 and move forward on the issue of health care?

19 A No.

20 Q Did you have any sense, in your own mind, that
21 the Whitewater matter was a significant distraction on the
22 attention of the president and the first lady?

1 A Yes, I believe that.

2 Q And you were aware of that in January; correct?

3 A Yes, I was.

4 MR. PEDOWITZ: Do you want to break, Mike?

5 MR. CHERTOFF: No. I just need one second.

6 BY MR. CHERTOFF:

7 Q When did you first become aware there was an
8 investigation being undertaken within the RTC concerning
9 the possibility of a civil case being filed on the Madison
10 matter?

11 A I don't recall. I don't recall. Maybe sometime
12 in January. There's a lot of newspaper stories about this
13 at that time, and there was a lot of, as we've discussed
14 yesterday, discussion on the Senate floor with respect to
15 the statute of limitations, with Senator D'Amato crossing
16 off each day on a calendar. During that period, obviously,
17 I found out.

18 Q Was there discussion about this in January with
19 the White House that you were aware of?

20 A I presume there were discussions of it in the
21 White House. I don't know what particular discussion
22 you're referring to.

1 Q Did you participate in any discussion in the
2 White House or with anybody from the White House in January
3 1994 concerning the approaching statute of limitations
4 deadline?

5 A Yes, I participated in discussions in the White
6 House about the statute of limitations deadline, if there
7 was a real deadline, yes.

8 Q In January 1994?

9 A Yes.

10 Q With whom?

11 A I don't remember offhand. I remember with
12 members of my staff. I didn't believe this was a serious
13 problem because this happens all the time in the private
14 world. If somebody is going to ask for a tolling
15 agreement, they're probably going to get a tolling
16 agreement -- I mean, I didn't consider this any major --

17 Q The question is, did you discuss that?

18 A Probably. I believe I discussed it, but I don't
19 remember any particular discussion.

20 Q With Mr. Lindsey?

21 A Probably.

22 Q With Mr. Ickes?

1 MR. PEDOWITZ: He's asking about January.
 2 BY MR. CHERTOFF:
 3 Q I'm still focusing on January. With Mr. Ickes?
 4 A I don't recall if I discussed it in January with
 5 Mr. Ickes, but it's possible.
 6 Q With Mr. Kendall?
 7 A Probably.
 8 Q With the president?
 9 A The answer is --
 10 MR. PEDOWITZ: Let me talk to the witness for a
 11 moment.
 12 (Witness conferred with counsel.)
 13 THE WITNESS: No, I didn't discuss it with the
 14 president.
 15 BY MR. CHERTOFF:
 16 Q With the first lady?
 17 (Witness conferred with counsel.)
 18 THE WITNESS: I don't believe so. The answer is
 19 no.
 20 BY MR. CHERTOFF:
 21 Q With Ms. Williams, Maggie Williams?
 22 A Probably.

1 Q Tell us what you recall about any conversation
 2 with Maggie Williams concerning the statute of limitations
 3 issue in January of 1994.
 4 A I don't remember any. I don't remember the
 5 substance of any conversation with Maggie Williams.
 6 Q Why would you have talked with her about it in
 7 January 1994?
 8 A Because we're a small group in the White House.
 9 I mean, we see each other all the time. We run into each
 10 other all the time. If D'Amato is making big speeches on
 11 the floor of the Senate about the statute of limitations,
 12 it's a likely thing that somebody would say to somebody
 13 else -- you know, it's the kind of thing I would discuss
 14 with people who would walk into my office or whose office I
 15 would walk into.
 16 Q With Mr. McLarty?
 17 A I don't remember discussing it with Mr. McLarty.
 18 Q Were there occasions you were aware of in January
 19 1994 in which anybody at the White House asked Roger Altman
 20 anything concerning the statute of limitations on these
 21 civil claims?
 22 A In January 1994?

1 Q Yes.

2 A I don't know of anybody asking Roger Altman about
3 anything with respect to the statute of limitations in
4 January of 1994.

5 Q In January of 1994, did you ask Mr. Eggleston to
6 do research on the statute of limitations?

7 A Probably.

8 Q Did he prepare a memo?

9 A I don't recall. He may have.

10 Q Did he give you an oral report?

11 A I don't recall. We discussed it obviously
12 internally in our staff, and Eggleston was the guy who I
13 was most likely to discuss it with. I don't remember any
14 particular conversation.

15 Q Was he able to tell you what the options were as
16 the statute approached in terms of what the RTC might do?

17 A He was able to tell me yes, and I was able to
18 know without him telling me.

19 Q Because it was a simple question of law; right?

20 A Simple question of law and procedure, yes.

21 Q Did you ask Mr. Eggleston to convey his
22 information about this simple question of law and

1 procedures to others in the White House before February 1,
2 1994?

3 A I don't recall. I may have, but I don't recall.

4 Q Was there discussion about whether there could be
5 awkwardness or the president or the first lady had to be
6 asked to sign a tolling agreement?

7 A There may have been such internal discussions in
8 the White House, yes.

9 Q Did Mr. Lindsey participate in those discussions?

10 A Probably did.

11 Q Ms. Williams?

12 A She probably did. I'm speculating -- I'm doing a
13 little speculating because I don't remember these general
14 conversations.

15 Q But you have a general impression?

16 A But I have a general impression that these things
17 happened.

18 Q Mr. McLarty, would he have participated?

19 A Less likely.

20 Q Was he less involved in this, discussion about
21 the general issue of Whitewater?

22 A Yes. He was somewhat involved, but less

1 involved.

2 Q Now, on February 2nd, are you quite confident you
3 did not initiate the meeting with Mr. Altman?

4 A Yes.

5 Q And you did not know until you walked into the
6 room what the subject of the meeting was going to be?

7 A Yes.

8 Q When you were informed the subject of the meeting
9 was a briefing on statute of limitations procedure and the
10 process, did you say we don't need this, we know the answer
11 already?

12 A I didn't say that.

13 Q Did you leave the room because you didn't feel
14 you needed to hear about this?

15 A No.

16 MR. CODINHA: Was there an answer on the record
17 of this?

18 MR. ZIMROTH: Yes.

19 BY MR. CHERTOFF:

20 Q As Mr. Altman was explaining his view of the
21 process -- let me withdraw the question and ask it this
22 way.

1 Of the other people attending the meeting from
2 the White House, had you previously discussed the process
3 with them, besides Mr. Eggleston?

4 A Yes.

5 Q Who else had you talked to? Did you talk to
6 Mr. Ickes about this process before?

7 A I don't believe -- I don't know -- I don't recall
8 talking about this process before with him, and I'm not
9 even sure I talked about the process with Maggie Williams
10 before, although it's possible I talked with both of them
11 before, but I'm not sure I did.

12 Q Did Mr. Altman explicitly say to you he was
13 giving you exactly the same briefing he had given Congress?

14 A I don't know if he used the words exactly, but
15 there was an indication that this was the kind of
16 information or briefing that had been given to various
17 congressmen.

18 Q Did he say he personally appeared to tell any
19 congressman or senator about this?

20 A I don't recall him using those terms. The
21 general thrust of the remark that I remember hearing with
22 respect to this issue is that this is the kind of

1 information we, the royal "we," had been given to
2 congressmen and senators.

3 Q Now, this was the first meeting concerning
4 Whitewater -- is this the first meeting concerning
5 Whitewater or Madison which you had with Mr. Altman
6 personally?

7 A Yes.

8 Q Did you wonder why he came over with the general
9 counsel to give a discourse on the process of how the RTC
10 resolved statute of limitations?

11 A Yes, until he said -- I'm trying to reconstruct
12 because it took me by surprise -- until he said this is the
13 kind of thing we've told senators and congressmen, and I
14 said well, I thought in my head, it's a good idea that we
15 hear the same thing that the Hill has been hearing because
16 we're going to have to respond. Just like we have to
17 respond to the press, we have to respond to the Hill
18 continually so I said no, we should hear what he's telling
19 the Hill or what his people are telling the Hill with
20 respect to this so we can deal with this matter.

21 Q Did he tell you he sent a letter to Senator Dole
22 or Senator D'Amato outlining these things?

1 A No, he didn't say that at that point.

2 Q Did he give you a copy of any of the material he
3 sent to the Hill that addressed the issue of statute of
4 limitations?

5 A No.

6 Mike, I'm going to have to take a break.

7 MR. CHERTOFF: Sure.

8 (Recess.)

9 BY MR. CHERTOFF:

10 Q Your testimony is that the day before this
11 meeting you had a conversation with Mr. Lindsey concerning
12 Ricki Tigert; correct?

13 A I don't remember precisely when I had such a
14 conversation. The day before, I believe, was the Tigert
15 hearing before the Senate Banking Committee. I remember
16 learning almost contemporaneously about this pressure that
17 was being put upon her by certain inquiring senators to
18 recuse herself in advance, and I remember the response that
19 had been formulated on her behalf being conveyed to me;
20 namely that she would -- to deal with this issue, she
21 wanted to be confirmed, obviously, but the response she
22 formulated is she would pledge to the senators to consult

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1 an ethics official if any Madison/Whitewater matter came
2 before her and she would follow the advice of that ethics
3 officer. If they required her to recuse, she would do so.

4 And I remember hearing their response to her, the
5 inquiring senators; namely, that was insufficient and she
6 was a Clinton nominee and she had known and met the
7 Clintons. She wasn't a friend of the Clintons to my
8 understanding, a close friend in any way, shape or form,
9 but that wasn't good enough. She had to recuse herself in
10 advance or the nomination wasn't going to move forward.

11 And I remember discussing that issue with Lindsey
12 at or about the time I heard these things. I think it was
13 February 1st or February 2nd -- it could have been on
14 February 2nd because I believe it was a newspaper story on
15 February 2nd. It could have been the newspaper story on
16 the 1st or on the 2nd.

17 Q Was it after the matter had been raised in the
18 Senate?

19 A I believe so. It was after the matter had been
20 raised in the Senate and we saw the response of inquiring
21 senators that it wasn't good enough for people to say look,
22 I will seriously consider this matter. I will go to ethics

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1 people. If they tell me I have to recuse myself, I will
2 certainly recuse myself, that that wasn't good enough.

3 Q Was the conversation before the February 2nd
4 meeting with Altman?

5 A I'm virtually certainly it was. I believe it
6 was.

7 Q When you had a conversation with Mr. Lindsey, did
8 you have an idea this recusal issue might come up with
9 Mr. Altman?

10 A No.

11 Q Before your conversation with Mr. Lindsey,
12 concerning Ricki Tigert, had you had discussions with
13 anybody concerning the question of recusal in relation to
14 Madison or Whitewater?

15 A No.

16 Q Did you know that Paula Casey recused herself in
17 late 1993 on the criminal matter down in Little Rock?

18 A I had heard that, yes.

19 Q When did you hear that?

20 A It was a newspaper story. About the time it
21 happened.

22 Q So that would have been late '93?

1 A If that's when it happened, that's when I heard
2 it.

3 Q Did that enter into your discussion with
4 Mr. Lindsey?

5 A No, we didn't discuss -- I didn't know the facts
6 and circumstances with respect to that. The answer is it
7 didn't enter into any discussion with Mr. Lindsey. We
8 never discussed Paula Casey.

9 Q Did you seek to learn the facts and circumstances
10 surrounding that recusal?

11 A No.

12 Q Did you think it was important that the
13 administration -- let me withdraw the question.

14 Your conversation with Mr. Lindsey was designed
15 to formulate a general administration policy on the issue
16 of recusal in Whitewater matters?

17 A Yes.

18 Q Did you think it was important for consistency's
19 sake to know what another presidential appointee had done
20 on a matter in relation to Madison or Whitewater insofar as
21 she needed to make a judgment on recusal?

22 A I did not look into the Casey situation.

1 Q Did Mr. Lindsey indicate he had looked into it?

2 A No, he did not.

3 Q Now, Ms. Tigert was being nominated to be chair
4 of the FDIC; correct?

5 A Correct.

6 Q What was your understanding of what specific role
7 or decision she would have to have in any matter involving
8 Madison or Whitewater?

9 A I had no understanding as to what -- there may be
10 nothing that she would have to do with respect to Madison
11 or Whitewater. That's why I found the request by the
12 inquiring senators somewhat surprising. But I didn't -- we
13 did not focus on what specific things she might have to do
14 with respect to Madison or Whitewater as head of the FDIC.

15 Q You were not aware of any pending FDIC
16 investigation of Madison or Whitewater; right?

17 A I was not aware of any pending FDIC investigation
18 of Madison or Whitewater, that's correct.

19 Q You were aware going into the February 2nd
20 meeting as of February 28th a decision would have to be
21 made concerning whether to sue the people involved in the
22 Madison case, whether to seek a tolling agreement or

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1 whether to drop the case insofar as the RTC was concerned?

2 A Yes, I was aware.

3 Q You knew there was an actual, specific pending
4 set of decisions the RTC would have to make within a month
5 of your February 2nd meeting; correct?

6 A Yes.

7 Q Did you see a difference between that situation
8 as it affected Mr. Altman as CEO of the RTC and
9 Ms. Tigert's situation as the head of an agency that didn't
10 have a pending matter involving Madison?

11 A No, because the issue was the principle, the
12 principle of whether or not people should recuse themselves
13 and they have no legal or ethical duty to do so. That
14 principle is the same in both cases.

15 Q The factor of whether an investigation was
16 actually pending and a claim might actually be filed within
17 the next month, you saw that fact as not having any
18 relevance to the decision; is that your testimony?

19 A That's correct.

20 MR. PEDOWITZ: What decision?

21 MR. CHERTOFF: About recusal.

22 MR. PEDOWITZ: What decision about recusal?

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1 MR. CHERTOFF: Whether it would be relevant to
2 Mr. Altman's decision about recusal.

3 BY MR. CHERTOFF:

4 Q Is that correct?

5 A That is correct, yes.

6 Q In connection with your discussion with
7 Mr. Lindsey, did you ask that research be done concerning
8 recusal standards?

9 A No. No, we didn't ask that research be done with
10 respect to recusal status. Remember, we were going on a
11 basic assumption that a person was -- Ms. Tigert said she
12 would recuse herself if she was told by an ethics official
13 that she was legally or ethically required to do so,
14 whatever the standards are, whatever the standards may be,
15 she would recuse herself. She committed to recuse herself
16 if she was legally or ethically required to do so. That
17 wasn't good enough for the inquiring senators. That was
18 where we wanted to draw the line.

19 So at that point, whatever the recusal standard
20 might be or whatever was required to legally or ethically
21 recuse herself, whatever it is, it is and she was willing
22 to adhere to that. That's what she said but that wasn't

1 good enough.

2 Q Were you aware of the first lady having any view
3 on the issues of recusals?

4 A No.

5 Q Were you aware of any view of the president on
6 the issue of recusals?

7 A No.

8 Q When you walk into the meeting on February 2nd
9 with Mr. Altman, did you have -- did you feel comfortable
10 with your understanding of the ethics rules as they applied
11 to the issue of recusals?

12 A Was I comfortable with my understanding of the
13 ethics rules?

14 Q Did you feel you were in a position to give
15 advice?

16 MR. PEDOWITZ: About --

17 MR. CHERTOFF: About the issue of recusals.

18 MR. ZIMROTH: You said the "issue of recusals"
19 meaning -- I don't understand.

20 THE WITNESS: I had general familiarity with the
21 ethics rules with respect to the issue of recusals but I
22 had not researched them prior to walking into that

1 meeting. I didn't know there would be a discussion of
2 recusal at that meeting.

3 BY MR. CHERTOFF:

4 Q In your mind, in the meeting when the discussion
5 turned to recusal, you drew upon your experience in dealing
6 with the question of judicial recusal; is that your
7 testimony?

8 A I thought about that. I didn't talk about that,
9 but I thought about that.

10 Q Now, you have testified that you drew in your
11 mind a distinction between a situation where the ethics
12 laws require you to recuse yourself and other situations.
13 Is that true?

14 A Yes.

15 Q Is it correct that the ethics rules -- let me
16 withdraw the question and ask you one other question.

17 Is that your understanding of the distinction
18 that applies where judges recuse themselves?

19 A What I understood is it was a general principle.
20 Again, I didn't read cases before I walked into the room or
21 read ethics rules. As a general principle, where a
22 judge -- and this went through my mind although I didn't

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1 talk about it because this is the world I come from -- when
 2 a judge is legally or ethically required to recuse himself,
 3 he should absolutely do so. When he's not legally or
 4 ethically required to recuse himself, it is my impression
 5 of the law, and I think there are Supreme Court opinions on
 6 this, I think one by Justice Rehnquist, then he has a duty
 7 to serve. That was my general impression.

8 Now, when I talk about legally or ethically
 9 required to recuse themselves, I take into account
 10 appearances, and the appearance standard is contained
 11 within legally or ethically required to recuse himself.
 12 You may be ethically required to recuse yourself because
 13 your conduct, when a reasonable person knows all the facts
 14 and circumstances, creates an appearance of impropriety. I
 15 understood that, so when somebody tells me, as Altman told
 16 me, he's not legally or ethically required to recuse
 17 himself, since I understand appearances are a part of the
 18 legal or ethical standards to recuse himself, he's also
 19 telling me that there's no appearance of impropriety within
 20 the meaning of the ethics rules, which would have required
 21 him to recuse himself.

22 Q Mr. Nussbaum, let's break it down. Is it correct

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1 that in the ethical rules, generally speaking, there are a
 2 series of rules that unequivocally say that if you have
 3 certain relationships, financial or family relationships
 4 with certain individuals, you should recuse yourself from
 5 making decisions that affect those individuals?

6 A That's correct.

7 Q And those are absolute mandatory objective rules;
 8 correct?

9 A Correct.

10 Q There is, apart from that, an ethical mandate
 11 that you should recuse yourself where, under the facts and
 12 circumstances, a reasonable person would draw the
 13 conclusion that there's an appearance of partiality;
 14 correct?

15 A A reasonable person with knowledge of the
 16 relevant facts and circumstances, if a reasonable person
 17 would draw the conclusion that there's an appearance of
 18 impropriety, a person should recuse himself, I understood
 19 that.

20 Q If a decisionmaker believes that a reasonable
 21 person would draw a conclusion that there's an appearance
 22 of partiality, then there is a duty to recuse; correct?

1 A If a decisionmaker believes --

2 Q That there's an appearance of impropriety?

3 MR. PEDOWITZ: The decisionmaker being the agency
4 head in this instance?

5 MR. CHERTOFF: Yes.

6 BY MR. CHERTOFF:

7 Q If the person who's faced with the recusal
8 decision believes that if the facts and circumstances are
9 known to a reasonable person, that reasonable person would
10 question the impartiality of the decisionmaker if the
11 decisionmaker believes that he has a duty to recuse;
12 correct?

13 A If he believes that?

14 Q Yes.

15 A And he's informed of that with respect to ethics
16 officials?

17 Q I'm asking you, if the decisionmaker believes
18 that, is he under a duty to recuse?

19 A If he believes that -- speaking hypothetically
20 right now --

21 Q Yes, we're talking about your understanding.

22 A If he believes that but an ethics person tells

1 him -- a decisionmaker believes that but he goes to an
2 ethics person and an ethics person examines it, he looks at
3 the legal requirements and the ethics requirements, he
4 looks at the facts and circumstances and he concludes, the
5 ethics expert person concludes -- knowing a lot of other
6 cases with respect to that, that ethics person concludes
7 that a reasonable person, knowing all the facts and
8 circumstances, would not have believed there was an
9 appearance of impropriety, then I don't believe the
10 decisionmaker has a duty to recuse himself.

11 Q If, based on all the discussions at the end of
12 the day, the decisionmaker believes that a reasonable
13 person, knowing all the facts and circumstances, would
14 question his impartiality, then there is a duty to recuse;
15 correct?

16 A No, not necessarily, because the decisionmaker --
17 the question is who ultimately has to make the final
18 decision as to what a reasonable person would believe under
19 all the facts and circumstances, and it may not necessarily
20 be the decisionmaker. It could be somebody -- this is a
21 legal, an ethical analysis of issues, and I'm not sure
22 that -- I'm not sure at this point that the final word

1 rests necessarily with the decisionmaker.

2 Q Let me ask this question. You were the chief
3 ethics officer at the White House; correct?

4 A Yes.

5 Q If you looked at the facts and circumstances of a
6 matter and you concluded, based on that examination, that a
7 reasonable person in possession of those facts and
8 circumstances would question the impartiality of the
9 decisionmaker, would you advise that decisionmaker that he
10 had a duty to recuse himself?

11 A Yes.

12 Q It is not the fact that a decisionmaker who -- it
13 is not the fact that it is a choice or a matter of
14 discretion to recuse when a reasonable person would
15 question the impartiality of the decisionmaker; correct?

16 A That's correct.

17 Q You testified yesterday that you made a comment
18 concerning Ms. Kulka during the discussion you had with
19 Mr. Altman on February 2nd. Do you recall that testimony?

20 MR. PEDOWITZ: Excuse me one second. I need to
21 consult just for a moment.

22 (Discussion off the record.)

1 BY MR. CHERTOFF:

2 Q I'm directing your attention to your testimony
3 concerning the comment or the reference to Ms. Kulka. The
4 reference you made to Ms. Kulka in your conversation with
5 Mr. Altman on February 2. I'm directing your attention to
6 that. Did your comment concerning Ms. Kulka being tough
7 occur after Mr. Altman had raised the issue of recusal?

8 A I don't remember. I believe my memory is it was
9 before. My memory is, but I'm not certain because the way
10 I remember it, thinking back, in relaying the process of
11 how the statute of limitations process, he talked about how
12 the staff was doing the inquiry, and I remember him saying
13 then the staff was headed by Kulka and Ryan, and Kulka's
14 name, of course, I immediately recognized. That's what I
15 remember. That's my memory. The recusal issue then came
16 thereafter.

17 Q Did you say that you had worked or your firm had
18 worked with Ms. Kulka on the Kay, Scholer matter?

19 A I don't remember -- what I remember saying --
20 I'll tell you what I remember saying -- what I remember
21 saying is I knew of Ms. Kulka, and that she was one of a
22 group of tough OTS litigators that I had dealt with on a

1 previous matter. I don't remember whether I mentioned the
2 words "Kaye, Scholer matter" or not. My memory is that I
3 did not mention Kaye, Scholer, but I'm not positive.

4 Q Did you convey the impression that you had a high
5 opinion of Ms. Kulka or low opinion of Ms. Kulka?

6 A What I conveyed is what I just said, that she was
7 one of a group of tough OTS litigators who I had some
8 contact with in the private world.

9 Q Did you say to the assembled on February 2nd in
10 this meeting with Mr. Altman, although you weren't saying
11 Ms. Kulka was a good lawyer, she was tough?

12 A I conveyed to you what I remember saying.

13 Q Did you ask Mr. Altman why he had to recuse
14 himself?

15 A I don't remember asking that to Mr. Altman, no,
16 why he had to recuse himself.

17 Q Did Mr. Altman tell you that Ms. Hanson had
18 suggested that he recuse himself?

19 A I remember Mr. Altman saying to me that
20 Ms. Hanson and Secretary Bentsen thought it was best.

21 Q And you understood that Ms. Hanson was the
22 superior to the designated agency ethics officer at

1 Treasury?

2 A I remember -- did I understand that? I did not
3 understand that actually at that moment. She may be, but
4 at that moment I did not understand that. But I understood
5 Mr. Altman also to say that he had received advice before
6 he came to the meeting that he was not legally or ethically
7 required to recuse himself. That's what I understood and
8 that's what struck me, stuck in my mind immediately, that
9 he received advice and he looked at this issue and he would
10 see that he's not legally or ethically required to recuse
11 himself, and the next thing he says at about that time but
12 he's seriously inclined to do so. Secretary Bentsen and
13 Jean Hanson think it's best.

14 Q Did he say that the advice he had received was a
15 written opinion?

16 A He didn't say one way or another on that issue.
17 He didn't say.

18 Q Did he say he had received final conclusive
19 advice from an ethics officer?

20 A He said he received advice from an ethics officer
21 that he was not legally or ethically required to recuse
22 himself.

1 Q Did he say the advice he had received that he did
2 not have the nature of a relationship that required a
3 mandatory recusal under the provisions of the ethics act
4 that set forth certain covered relationships?

5 A No. He said that he had received advice that he
6 was not legally or ethically required to recuse himself.
7 That's what he said.

8 Q Did you understand that to include advice that a
9 reasonable person, knowing the facts and circumstances,
10 would not question his impartiality?

11 A Yes, because that's -- I understood --

12 MR. ZIMROTH: Yes.

13 THE WITNESS: The answer is yes.

14 BY MR. CHERTOFF:

15 Q Did you think the fact that Ms. Hanson had
16 recommended he recuse himself to suggest that a reasonable
17 person might question his impartiality?

18 A No, because he couldn't have received advice that
19 he was not legally and ethically required to recuse
20 himself.

21 Q Do you know he had conveyed -- you will agree
22 with me that an ethics advisor's advice only -- should only

1 be relied on if the ethics advisor has been given all the
2 relevant facts and circumstances?

3 A Yes.

4 Q As an ethics advisor, yourself, making a judgment
5 on the issue of a reasonable person's view on the
6 appearance of impartiality, would you consider the judgment
7 and perceptions of respected people in formulating your
8 advice?

9 MR. PEDOWITZ: Judgments about what, Mike?

10 MR. CHERTOFF: On the question of appearance.

11 THE WITNESS: Would I consider other people's
12 judgment in formulating my decision? Yes, I would consider
13 judgments of respected people, yes.

14 BY MR. CHERTOFF:

15 Q Did you know or did Mr. Altman indicate to you in
16 any way whether Ms. Hanson's view had been taken into
17 account from this ethics officer?

18 MR. PEDOWITZ: With respect to what?

19 MR. CHERTOFF: The questions we're talking about
20 here have to do with the advice Mr. Altman received from
21 the ethics officer before February 2 on recusal.

22 BY MR. CHERTOFF:

1 Q Did Mr. Altman say to you that the ethics officer
2 had taken into account Ms. Hanson's view?

3 MR. PEDOWITZ: With respect to what?

4 MR. CHERTOFF: With respect to recusal.

5 MR. PEDOWITZ: I have never heard that Jean
6 Hanson or Secretary Bentsen ever said that they thought
7 there was an appearance issue and an appearance of
8 impropriety raised by his continuing in the matter.

9 MR. CHERTOFF: Let me phrase it this way.

10 BY MR. CHERTOFF:

11 Q Did Mr. Altman tell you that the ethics officer
12 had been informed that Ms. Hanson had recommended that
13 Altman recuse himself?

14 A Can you repeat that question.

15 (The reporter read the record as requested.)

16 THE WITNESS: Repeat it again. I'm sorry. I
17 tuned out.

18 (The reporter read the record as requested.)

19 THE WITNESS: No.

20 BY MR. CHERTOFF:

21 Q Did Mr. Altman tell you that the ethics officer
22 had been informed that Secretary Bentsen agreed that

1 Mr. Altman recuse himself?

2 A No.

3 Q As an ethics officer --

4 A We didn't discuss that issue one way or the
5 other.

6 Q You had no knowledge of it?

7 A I had no knowledge about what the ethics officer
8 had been told.

9 Q Did it catch your attention that Lloyd Bentsen,
10 who had been a senator for a long period of time, who had
11 been a vice presidential candidate and who was Secretary of
12 the Treasury, had an opinion about the issue of recusal?
13 Did that catch your attention?

14 A It caught my attention, yes.

15 Q At the time you had this discussion, did you have
16 an awareness that the president or the -- either the
17 president and/or the first lady were very concerned that a
18 prolonging of a focus on the issue of Whitewater would
19 distract them from their efforts to proceed with the
20 policies they wanted to promote legislatively?

21 MR. PEDOWITZ: Could you please read that
22 question back.

1 (The reporter read the record as requested.)
 2 MR. PEDOWITZ: You're talking about
 3 February 2nd?
 4 MR. CHERTOFF: Yes.
 5 THE WITNESS: Yes.
 6 BY MR. CHERTOFF:
 7 Q And you had been involved in discussing those
 8 policies; right?
 9 MR. PEDOWITZ: "Policies"?
 10 BY MR. CHERTOFF:
 11 Q The policies of the administration. You had been
 12 involved in formulating in formulating and working on those
 13 policies; right?
 14 A Certain policies, yes.
 15 Q You wanted to see the administration succeed in
 16 its program?
 17 A I certainly did.
 18 Q Mr. Altman said to you that he was inclined or
 19 strongly inclined to follow the recommendation of
 20 Ms. Kulka; correct?
 21 A Of Ms. Kulka?
 22 Q Right.

1 A Of the staff, he said. Ryan and Kulka and other
 2 people.
 3 Q Correct.
 4 A It's not just Kulka alone. It's other people.
 5 Q Is that correct?
 6 A He would be inclined or strongly inclined --
 7 MR. PEDOWITZ: Again, Michael, so we're clear,
 8 we're using words, and I don't know whether we need
 9 quotation marks around them. I don't know that the witness
 10 has a photographic memory.
 11 MR. CHERTOFF: I'm asking the witness -- if I'm
 12 quoting, I will quote. I'm asking whether you were
 13 aware -- let me ask you this question.
 14 BY MR. CHERTOFF:
 15 Q Did Mr. Altman use the words "inclined" or
 16 "strongly inclined" in describing his prediction that he
 17 would be following the recommendation of the staff?
 18 A Yes. He used -- you know, he would be highly
 19 likely, strongly inclined, virtually certain. I don't
 20 remember the exact terminology, to follow the
 21 recommendations of his staff with respect to whether or
 22 not -- with respect to the statute of limitations.

1 Q Did he indicate to you in any way that he had
2 promised to follow the recommendation of the staff?

3 A That he promised anyone?

4 Q Yes.

5 A No, he did not.

6 Q You intended, did you not, if Mr. Altman -- let
7 me withdraw the question.

8 It was your expectation, was it not, that if
9 Mr. Altman did not recuse himself, he would have some
10 effect upon the final outcome of the decision to be made in
11 the Madison matter; correct?

12 A What I stated is what I thought at the time,
13 because I was, in effect, responding to his statement that
14 he was virtually certain or strongly inclined to follow the
15 recommendation of his staff. I said you should consider
16 whether or not to recuse yourself.

17 Again, as you know, because I've testified, I
18 didn't tell him not to recuse himself. I didn't tell him
19 to recuse himself except if he was legally or ethically
20 required to do so. I didn't give him any direction with
21 respect to that. But I said you should consider whether or
22 not to recuse yourself and with respect to your statement

1 which he had made prior to that, that you were strongly
2 inclined or virtually certain to rely on the recommendation
3 of your staff, the fact that you do remain will help assure
4 the rate of fairness and professionalism in the process
5 because when people know they're reporting to someone
6 rather than being the ultimate decisionmakers themselves,
7 there's a tendency to dot all your i's and cross all your
8 t's and make sure you've got it right.

9 So the impact I saw was not so much of a change
10 in decision or outcome necessarily, but an additional
11 safeguard for fairness and professionalism and proper
12 procedures being followed.

13 Q Mr. Nussbaum, you saw there might be an impact on
14 the outcome; correct?

15 A No, I really didn't. I saw there was likely to
16 be -- no, no. I saw there would be an impact on the
17 process that will be followed.

18 Q And that impact on the process could affect the
19 outcome; correct?

20 A All I wanted was a fair process and a
21 professional process. And whatever that process produced
22 was fine with me. That's the way government should

1 operate. People should do their duty. They should act
2 fairly and professionally and they should call the shots as
3 they see them and the final analysis with respect to the
4 outcome.

5 MR. PEDOWITZ: Can we have the question read back
6 so you can answer the question.

7 MR. CHERTOFF: Yes. I want an answer to the
8 question.

9 (The reporter read the record as requested.)

10 THE WITNESS: All I can say is a fair and
11 professional process will produce a fair and professional
12 outcome. Now, you can interpret that as you will.

13 BY MR. CHERTOFF:

14 Q Did you think the staff of the RTC would be
15 unfair?

16 A My primary concern -- as I indicated yesterday,
17 my primary concern, as I indicated yesterday, when Altman
18 raised the recusal issue and said he was going to recuse
19 himself after stating that he was not legally or ethically
20 required to do so, there was a significant public policy
21 issue that was raised as a general one and specific one we
22 were dealing with at the time with respect to the Tigert

1 nomination. And it also offended my sense of how a public
2 official should perform his duty; namely, that he should do
3 his duty unless he was legally or ethically required to
4 recuse himself.

5 Q Did --

6 A Let me finish. That's what I was thinking at
7 that February 2nd meeting. That's what I was thinking and
8 that's what caused me not to give him any direction or tell
9 him what to do, but that's what caused me to tell him he
10 should consider whether or not to recuse himself, after
11 telling him he should recuse himself if it was determined
12 he was legally or ethically required to do so. That's what
13 caused me to do so. That's what caused that remark.

14 I cannot separate out all my feelings totally
15 here because I was surprised with this thing. I did have,
16 as I stated yesterday and I'll state again today, some
17 concern when I heard Ms. Kulka's name because of my prior
18 experience, not with her personally because I do not know
19 her personally, but my experience with the prior group of
20 people she was involved with in the OTS.

21 And I was somewhat concerned when I heard that
22 about the fairness and professionalism of a process

1 because I believe the litigation in the private world with
2 respect to the Kaye, Scholer matter, that it wasn't a fair
3 and professional process in my view. So I did have some
4 concern with respect to that.

5 I did not think through at this meeting whether
6 or not there was a real fear that they would not be fair or
7 professional. That was not my primary concern at this
8 meeting. My primary concern is that -- my primary concern
9 was that Altman was suggesting and would undermine a
10 significant White House policy that I was seeking, and I
11 and others in the White House, was seeking to effect. That
12 was my primary concern.

13 Q Did Ms. Kulka ever express an animus against the
14 president?

15 A No.

16 Q Did Ms. Kulka have any relationship with anybody
17 that might call into question her impartiality regarding
18 the president?

19 A No.

20 Q Did Mr. Altman have a relationship that might
21 call into question his relationship regarding the
22 president?

1 A No.

2 Q Did you -- were you aware of discussion about
3 whether Mr. Altman considered himself to be a potential
4 candidate for a future vacancy of the position of Secretary
5 of Treasury?

6 A I was aware of speculation with respect to that
7 but I wasn't aware of any discussions Mr. Altman had with
8 respect to that.

9 Q This policy you referred to that you were trying
10 to put through as a general policy matter at the White
11 House, it relates to your conversation with Mr. Lindsey a
12 day or two before?

13 A And others.

14 Q Who else did you discuss it with?

15 A I believe I discussed this issue with other
16 people in the White House. I think I discussed this issue
17 with people in legislative affairs. I don't remember a
18 specific person. It could be Paul Kerry. It could be
19 other people who were dealing with our congressional
20 relationships as they arise in connection with the
21 confirmation process.

22 Q With who else?

1 A I believe I discussed it with Mr. Klein in my
2 office who expressed sometimes disagreement with me. I
3 think Mr. Klein thought that we should just let
4 Ms. Tigert -- he was involved in that confirmation process
5 so his view contrary to my view, was maybe we should
6 just -- if she wants to recuse herself in advance, we
7 should just let it go, which is not that important. I
8 disagreed with that and I let him know that.

9 Q Who else?

10 A I don't remember who else. It could have been
11 people in the chief of staff's office. It could have been
12 Harold Ickes. I believe there was such discussion with
13 various other people. I just don't remember them now. I
14 do remember discussing it with Mr. Lindsey. I remember
15 Mr. Lindsey agreed with me. He had significant position.
16 He was head of White House personnel or former head of
17 White House personnel and I feel very strongly about this
18 issue.

19 Q You testified that there was a comment made
20 during the meeting by Ms. Williams asking whether or not
21 private lawyers would be getting the same kind of briefing;
22 correct?

1 A Yes.

2 Q Do you know if anyone in the White House staff
3 was meeting with the private matters in the Madison --

4 A Oh, yeah, White House staff were meeting with
5 private lawyers.

6 Q With who?

7 A With David Kendall from time to time and other
8 people.

9 Q And who else?

10 A I don't know who else was meeting with Kendall.
11 I'm sure Maggie Williams met with Kendall. I'm sure
12 Kendall met with other people in the White House.

13 Q What about lawyers for any of the other parties
14 involved with Madison?

15 MR. PEDOWITZ: Mike, why don't you make a full
16 question there?

17 BY MR. CHERTOFF:

18 Q Were there meetings you were aware of between
19 members of the White House staff, including yourself and
20 any other lawyers for other private individuals besides the
21 president and the first lady, who were involved in Madison?

22 A I don't recall any such -- it's possible it took

1 place. I just don't recall. If you gave me a specific
2 meeting, I might have a specific recollection.

3 Q On your way out of this meeting on February 2nd,
4 you asked Ms. Hanson whether John Ryan and Ellen Kulka's
5 name had come to the White House prior to their
6 appointment. Do you recall that testimony?

7 A Yes.

8 Q You understood, did you not, by saying to
9 Ms. Hanson you were conveying the fact that you
10 considered -- you had an opinion concerning Ms. Kulka?

11 A No.

12 Q You had no sense that in suggesting that to her,
13 you were conveying an impression to her about having a poor
14 opinion of Ms. Kulka?

15 A No, because I really had no opinion of Ms. Kulka
16 because I didn't know Ms. Kulka. I knew the people I dealt
17 with personally at the OTS. I was expressing a concern
18 about our processes which I thought were working fairly
19 well; namely, that appointments come through the White
20 House counsel's office with respect to a lot of these kind
21 of appointments and I never heard this and that's what I
22 was concerned about.

1 Q Was this just idle curiosity?

2 A It wasn't idle curiosity. I wanted to make sure
3 our process was operating correctly. I had an opinion
4 about the OTS.

5 Q And you had an opinion about Ms. Kulka?

6 A No, not a personal opinion about Ms. Kulka.

7 Q Did you consider --

8 A I didn't know Ms. Kulka.

9 Q Did you consider expressing your views concerning
10 Ms. Kulka or the OTS at that meeting might signal
11 Mr. Altman that the White House had a concern about who the
12 decisionmaker would be?

13 A No, because I didn't express any such concern.
14 If I was to express a concern about the decisionmaker and I
15 thought it was appropriate to do so, I would have done so.
16 I wasn't trying to send any signals. I'd say what I
17 believed and what I think is appropriate to say.

18 One of the problems with this meeting, you must
19 understand, is this issue. I was called into the meeting.
20 I didn't know it was going to take place or what -- I
21 didn't know what the subject matter was going to be. I
22 certainly didn't know recusal was and therefore I was,

1 frankly, very careful as to what I was going to say because
2 I didn't have time to consider the full implications of
3 Mr. Altman's remarks. But I did understand sufficiently
4 what Mr. Altman was saying would undermine what I wanted to
5 effect as a serious administration policy. I think people
6 should do their duty unless there's an ethical or --

7 Q Did you raise the issue with Paula Casey about
8 whether she was doing her duty in recusing yourself?

9 A No.

10 Q Did Mr. Ickes express an opinion about recusal on
11 this meeting on February 2nd?

12 A No, not to the best of my recollection.

13 Q Did Ms. Williams?

14 A No.

15 Q Did you talk to Joel Klein about this meeting
16 afterwards?

17 A Yes, I had conversations with Joel -- after the
18 meeting, yes.

19 Q Were you concerned about the way -- let me ask
20 you this.

21 Did you consider whether you yourself ought to be
22 offering advice on the issue of recusal or discussing the

1 issue of recusal with Mr. Altman at a White House meeting?

2 A Was I concerned about it?

3 Q Yes.

4 A When the meeting was over and I had time to think
5 about it, I thought about the issue, and I confirmed what I
6 believed at the meeting that it was -- it was totally
7 proper for us -- that nothing improper happened at the
8 meeting, the conduct of the meeting was totally proper.

9 Q You thought that your expressing a view -- I want
10 to be clear on this. You thought upon reflection after
11 leaving the meeting that your expressing an opinion
12 concerning what Mr. Altman ought to do on making a recusal
13 decision --

14 MR. ZIMROTH: Wait.

15 MR. CHERTOFF: -- was not improper.

16 MR. PEDOWITZ: Object to the form of the
17 question.

18 THE WITNESS: I didn't express an opinion. I was
19 very careful in what I said at the meeting. You know that,
20 Mike. What I said to Mr. Altman was if you're legally or
21 ethically required to recuse yourself, you should do so.
22 But if you're not, you should consider whether or not you

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1 should recuse yourself, and then I went on to say some of
2 the other things. I did not -- I determined at the meeting
3 on the spot because I didn't have time to consider the
4 implications of what Mr. Altman was saying, not to give any
5 direction with respect to whether or not he should recuse
6 himself.

7 BY MR. CHERTOFF:

8 Q At the February 2 meeting you said to Mr. Altman
9 if he was not legally or ethically mandated to recuse
10 himself he should consider whether his continued
11 participation would impose discipline and fairness on the
12 process; correct? Correct?

13 A Yes, I said that.

14 Q That was an opinion; correct?

15 A It was not an opinion on the ultimate issue as to
16 whether he should recuse himself.

17 Q When you said to him you should consider
18 something, was that not advice?

19 A Yes, that is advice. You should consider
20 something as advice.

21 Q Do you have a doubt you were offering him advice
22 in the meeting, Mr. Nussbaum?

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1 A Well --

2 Q Yes or no?

3 A I don't want to play semantic games with you. I
4 said what I said. I said he should consider whether or not
5 he should recuse himself.

6 Q On reflection after you left the meeting when the
7 meeting was over later in the day, did you wonder whether
8 perhaps you had said more than you should have at the
9 meeting to Mr. Altman about recusal?

10 A I thought about it, and I decided that I didn't
11 say anything in the meeting that I shouldn't have said to
12 Mr. Altman.

13 Q Did you consider whether you ought to contact
14 Mr. Altman and say to him look, in substance, look forget
15 what I said to you. It's totally -- just forget everything
16 I told you about Ms. Kulka. Did you suggest that?

17 A I said to him -- you just reminded me -- you just
18 reminded me of something which, as you know, I did say at
19 the meeting, the final thing I said to him at the meeting
20 was whatever decision you make on this issue, it's a
21 decision for you and you alone to make. Those were the
22 things I said at the meeting.

1 Those are the three primary things I said at the
 2 meeting. Number one, you should -- number one, if you have
 3 a legal or ethical obligation to recuse yourself, you
 4 should do so. Number two, if you have no legal or ethical
 5 obligation, you should consider whether or not to recuse
 6 yourself, and in fact, you should consider whether or not
 7 if you do stay on, it provides some additional assurances
 8 of fairness and professionalism to the process. And
 9 number three, having said number one and number two, number
 10 three, whatever decision you make, I want you to understand
 11 it's a decision for you and you alone to make. That's
 12 what I said to him. That's what I said to him.

13 I felt at the meeting and I felt after the
 14 meeting that was the appropriate thing to do. That was the
 15 appropriate thing to do. Indeed one could argue that even
 16 something more would have been appropriate because it did
 17 affect official, in my view, what should be official White
 18 House policy that I and the others were trying to effect,
 19 but I didn't go any further, nor did I go any further at
 20 the meeting or at any time any further.

21 Q In your conversation with Mr. Klein after the
 22 meeting, did you tell him that the meeting should be kept

1 confidential?

2 A Did I tell that to Mr. Klein?

3 Q Yes.

4 A I don't recall ever telling that to Mr. Klein.

5 Q Did you suggest anything to Mr. Klein that would
 6 lead him to believe that you wanted him to keep secret or
 7 confidential the fact that that meeting had occurred?

8 A No, I never said that.

9 Q Did you ever suggest to Mr. Klein that you wanted
 10 the fact there had been a discussion of recusal to be kept
 11 confidential?

12 A Did I say that to Mr. Klein?

13 Q Yes, in words or in substance.

14 A I never said that in words or substance.

15 Q Did Mr. Klein disagree with you after the meeting
 16 concerning your analysis of the issue of impropriety issue?

17 A Yes.

18 Q Did that cause you to reconsider?

19 A I thought about what he said and then I discussed
 20 it with people who have a much -- who have much more
 21 expertise in this area than Mr. Klein.

22 Q Who would that be?

1 A Ms. Nolan.
2 Q You had a discussion with Ms. Nolan?
3 A With respect to this matter.
4 Q Did you have that discussion with Ms. Nolan
5 before or after she spoke to Dennis Foreman, the Treasury
6 ethics officer?
7 A I had a discussion with Ms. Nolan, I think it was
8 before because as you know from my testimony yesterday --
9 MR. PEDOWITZ: Repeat the question, please, so
10 we're sure we're answering the right question.
11 BY MR. CHERTOFF:
12 Q When did you have the discussion with Ms. Nolan?
13 A Sometime after the meeting.
14 Q A day after the meeting, a week after the
15 meeting?
16 A I remember being contacted the day after the
17 meeting, after I talked to Jean Hanson on the phone, and
18 then I spoke to her throughout that week.
19 Q Is it your testimony that in your conversation
20 with Ms. Nolan, you brought up Mr. Klein's contrary view on
21 the appearance issue?
22 A Yes.

1 Q And what did Ms. Nolan say?
2 A Ms. Nolan said that she didn't see any problem
3 with the meeting.
4 Q What facts did you describe to Ms. Nolan?
5 A The facts that had occurred at the meeting.
6 Q What facts did you describe to Ms. Nolan
7 concerning the relationship of Mr. Altman to the president
8 and the circumstances which they would be waived?
9 A We're talking -- you're switching subjects now.
10 Q Maybe we're confused. I'm going to make sure we
11 have it correct. Mr. Klein disagreed with you about
12 whether you should have raised the issue of recusal --
13 A I didn't raise the issue of recusal. Mr. Altman
14 raised the issue.
15 Q I'm sorry, Mr. Klein disagreed with you about
16 whether you should have discussed the issue of recusal with
17 Mr. Altman; correct?
18 A Mr. Klein disagreed about whether there should be
19 any response when Mr. Altman raised the recusal issue.
20 Q Ms. Nolan saw no problem with that?
21 A Ms. Nolan -- to the best of my recollection,
22 Ms. Nolan saw no problem with the discussion that took

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1 place at the meeting on February 2nd because I described to
2 her after that meeting the discussion that took place at
3 that meeting.

4 Q Did you describe to Ms. Nolan the fact that you
5 had made comments about Ellen Kulka?

6 A I believe I described to Ms. Nolan the entire
7 meeting.

8 Q Did you describe to Ms. Nolan you had commented
9 or --

10 A By the way, when you say I make comments about
11 Ellen Kulka, the comment I made was Ellen Kulka -- she's
12 one of a group of tough OTS litigators. I don't think that
13 is necessarily an adverse comment.

14 Q Mr. Nussbaum, in the context of the meeting, did
15 you mean to make an adverse comment about Ms. Kulka?

16 A No, I didn't mean to make an adverse comment I
17 meant to make a factual comment.

18 Q Did you make comments to Mr. Klein after the
19 meeting about Ms. Kulka that were adverse?

20 A I don't believe I made comments to Mr. Klein as
21 much as I made comments about the OTS. I had adverse
22 comments about the OTS, yes, and I conveyed it to

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1 Mr. Klein, and I conveyed it to others on my staff because
2 I related the story of the Kaye, Scholer case.

3 Q Were these adverse comments about the OTS in the
4 context of discussions about Ms. Kulka as she might act in
5 a decisionmaking capacity?

6 A Can you repeat that question.

7 Q You weren't just having idle chat about the OTS,
8 were you, with Mr. Klein?

9 A I was saying -- with Mr. Klein?

10 Q Right.

11 A I don't know what you mean by "idle chat."

12 Q In other words, after February 2nd, your adverse
13 comments about OTS were not idle conversation; correct?

14 A I think they were idle conversation with
15 Mr. Klein.

16 Q You were just reminiscing with Mr. Klein about
17 war stories with the OTS?

18 A You know something, yes.

19 Q It didn't come up in the context of discussions
20 about Ms. Kulka and the question of Madison Guaranty?

21 A Oh, it came up in the -- Ms. Kulka was mentioned,
22 and Madison Guaranty was mentioned, too, in the course of

1 those meetings, but this was just internal talk in the
2 White House counsel's office. This was not communications
3 between us and anybody outside the counsel's office or
4 discussed with anybody outside the White House. This is
5 internal White House -- my feelings, my strong feelings
6 about the OTS and Kaye, Scholer and how unfair they were, I
7 said that to Mr. Klein. I said that to probably others on
8 my staff, but what I did not do, nor did they do, to my
9 knowledge, is convey it to anybody outside the White House,
10 especially Treasury or RTC. The only things I said with
11 respect to the OTS and Ms. Kulka and what I've already
12 described in that February 2nd meeting.

13 Q I'm interested now in your state of mind. Do you
14 deny you had negative feelings about Ms. Kulka acting in
15 the role of final decisionmaker in the Madison matter?

16 A I don't deny that I had negative feelings, even
17 though I didn't -- based on even though I didn't know her
18 personally.

19 Q In your conversation with Ms. Nolan, did you
20 describe your comments about Ms. Kulka at the February 2nd
21 meeting?

22 A I believe I did. I'm not certain, but I believe

1 I did.

2 Q Did Mr. Klein also disagree with you about your
3 view concerning whether Mr. Altman ought to recuse
4 himself -- I'm not talking about the fact that you had the
5 conversation, but did he also agree with your view on the
6 issue of whether Mr. Altman ought to recuse himself?

7 A I don't specifically recall, but probably,
8 because he also disagreed with me on Tigert, on Ricki
9 Tigert. I don't remember actually discussing that ultimate
10 issue with him, but I may well have. He's deputy counsel,
11 and we discussed a lot of these things, but I do remember
12 the discussion with respect to Tigert. He said let her
13 recuse herself and I said that would violate at least the
14 policy that I and the other others at the White House
15 wanted to put into effect.

16 Q Did you raise the issue with Ms. Nolan after
17 February 2?

18 A I may have.

19 Q Did you ask her what her opinion was regarding
20 whether Mr. Altman ought to recuse himself?

21 A I asked her to work with -- to work with the
22 Treasury people if they told her with respect to this issue

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1 and to do -- and to assist them and do whatever research
2 was necessary and to come up with whatever the appropriate
3 conclusion was.

4 If Ms. Nolan, who is enormously sensitive to
5 these issues, came up with a conclusion that Altman was
6 legally or ethically required to recuse himself, I would
7 want Altman to legally or ethically -- I would want Altman
8 to recuse himself. The fact is I brought in Ms. Nolan once
9 I received this call to look at this issue and in effect
10 work with the Treasury people to look at the issue and I
11 didn't direct her to the outcome.

12 She wouldn't take any direction anyway with the
13 outcome if I wanted her to do and I didn't want her to do
14 it. The fact is I brought in an ethics person with great
15 expertise and experience to work with the Treasury ethics
16 people who were continuing to research the recusal issue.

17 Q As of February 2 in the meeting wasn't it your
18 understanding that Treasury had offered an opinion that
19 there was no obligation for Mr. Altman to recuse himself?

20 A Yes. Mr. Altman said that he received such
21 advice from ethics people at Treasury, but then I heard the
22 next day, from Ms. Hanson, Leach's letter had come in.

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1 Another request for recusal had been made by Congressman
2 Leach and she told me they were continuing to research the
3 issue.

4 Q Were you surprised to learn there had not been a
5 final conclusion as of February 2nd?

6 A Apparently, there had been a conclusion as of the
7 February 2nd meeting. Now they wanted to reexamine that
8 conclusion. Reexamine the conclusion as to whether he was
9 legally or ethically required to do so. That was fine with
10 me.

11 Q Did you ask Ms. Nolan to keep you informed about
12 what her conclusion was?

13 A I asked Ms. Nolan at some time to inform me.

14 Q Did she talk to you about her conversations with
15 Mr. Foreman?

16 A She told me that she had conversations with
17 Mr. Foreman, but I don't recall if she informed me about
18 the substance of the conversations with Mr. Foreman.

19 Q Did you ever tell her there was some concern you
20 or anybody else in the White House had about an
21 off-the-wall decision being made if Mr. Altman were to
22 recuse himself?

1 MR. PEDOWITZ: I'm sorry, can you repeat the
2 question, Mike.

3 MR. CHERTOFF: Can you repeat the question.
4 (The reporter read the record as requested.)

5 MR. PEDOWITZ: An off-the-wall decision being
6 made about what?

7 MR. CHERTOFF: About Madison Guaranty.

8 THE WITNESS: I don't remember ever saying that
9 to him.

10 BY MR. CHERTOFF:

11 Q Do you remember ever hearing that from her?

12 A No.

13 Q Did the phrase ever come up in conversations?

14 A I don't recall it coming up in conversations.

15 Q Was there any discussion you had with Ms. Nolan
16 concerning protecting against an off-the-wall decision
17 without it having to go to Roger Altman?

18 A I don't recall any such discussion with
19 Ms. Nolan.

20 Q Was one of the factors to be considered in
21 resolving the issue of a potential appearance or question
22 of impartiality the degree of potential damage that might

1 be caused to the president by a decision -- by one of the
2 outcomes of the decisionmaking process on this Madison
3 matter?

4 MR. PEDOWITZ: Do you understand that question?

5 THE WITNESS: Please read it again. The
6 questions are getting longer and longer, Mike.

7 MR. CHERTOFF: I'll rephrase it.

8 BY MR. CHERTOFF:

9 Q Was one of the factors to be considered -- the
10 questions are getting longer in part because counsel is
11 asking every question to sum up the entire subject matter.
12 Let me try it this way.

13 We're talking about Madison Guaranty. We're
14 talking about decisions of recusal and we're talking about
15 your conversations with Ms. Nolan. In those conversations,
16 was there discussion about the fact that one of the
17 questions to be addressed in deciding if there is an
18 impartiality appearance issue is whether the decision to be
19 made by the RTC could have a serious impact on the
20 president?

21 A I don't recall that coming up.

22 Q In your mind, was the issue of the effect -- let

1 me withdraw the question and ask you this.

2 As of September 2, you believe that the statute
3 of limitations on Madison Guaranty --

4 A February 2.

5 Q I'm sorry, as of February 2, you believe that the
6 statute of limitations on the Madison matter would
7 terminate on February 28; correct?

8 A Well, you know, it's funny. I had heard that. I
9 had been told that. I've been around long enough not to
10 ever believe that statutes -- that there's always a way of
11 somehow extending the statute through a conspiracy theory
12 or various other theories. I never believed -- if you
13 asked me what I believed, I never believed that February
14 28th was -- that firm a date, that people could one way or
15 another -- creative litigants can in one way or another try
16 to get around an expiration date for the statute of
17 limitation by claiming continuing conspiracies or something
18 like that.

19 MR. PEDOWITZ: So it's clear, because some
20 nonlawyers may read this record someday, the point we
21 made -- Bernie made yesterday in his testimony was that the
22 statute of limitations was to expire based on his

1 understanding on fraud and intentional misconduct.

2 MR. CHERTOFF: Correct, on February 28.

3 MR. PEDOWITZ: And that alone, as I understand
4 his description of the statute that he made yesterday.

5 MR. CHERTOFF: We'll be precise.

6 BY MR. CHERTOFF:

7 Q You understood that as of February 28th, as
8 Mr. Pedowitz has described, the statute on fraud and
9 intentional violations would run with respect to Madison;
10 correct? That was your understanding?

11 A That's what people had told me, yes. I was also
12 told there was certain legal questions -- the reason I'm
13 not being categorical, Mr. Chertoff, is I was also told the
14 time, there were certain issues as to whether that was
15 really so or not, but I'm not going to dispute there was a
16 general understanding that the statute of limitations with
17 respect to civil fraud or intentional misconduct was likely
18 to expire on February 28.

19 Q That was your understanding as of February 2;
20 correct?

21 A Yes.

22 Q And in your mind, did you consider one of the

1 factors to be weighed in deciding whether Mr. Altman ought
2 to recuse himself was the effect that a decision to file a
3 case or seek a tolling agreement would have in prolonging
4 public attention on the issue of Madison Guaranty and the
5 president?

6 A I wasn't thinking about that. That's not what
7 was in my mind. What I was thinking about when Altman
8 raised the recusal issue is this policy issue. I had just
9 been wrestling that day, the day before -- and also my own
10 sense of what is the obligation of a government official;
11 namely, to do his duty however politically and expedient or
12 public relations expedient may be. I have a strong belief
13 in people doing their duty. That's what I was thinking
14 about. I wasn't thinking about the type of things you were
15 just talking about.

16 Q Did you tell Mr. Klein that Ms. Kulka had bad
17 judgment?

18 A I don't recall ever telling Mr. Klein that
19 Ms. Kulka had bad judgment because I don't think I ever
20 believed that Ms. Kulka had bad judgment, because what I
21 heard about Ms. Kulka is from one of my partners that dealt
22 with her who said she was, you know, a tough negotiator

1 with respect to the settlement issues that I talked about
2 yesterday and no one ever told me that Ms. Kulka had bad
3 judgment. I believe the OTS had bad judgment.

4 Q Did you tell Mr. Klein that you held Ms. Kulka in
5 low regard in words or in substance?

6 A I never met Ms. Kulka.

7 Q I'm not asking whether you met her. I'm asking
8 whether you said this to Mr. Klein.

9 A I remember telling Mr. Klein that I held the OTS
10 in low regard. Whether Mr. Klein interpreted that I held
11 Ms. Kulka in low regard, I don't know, but I don't remember
12 me telling him I held Ms. Kulka in low regard. That's not
13 something I would say. I don't know the woman, but I did
14 tell him because I held the OTS in low regard, that I held
15 the OTS in low regard.

16 Q Within a day or two after the February 2nd
17 meeting, you had an encounter in the hall with Mr. Altman
18 and he was thinking about now not recusing himself;
19 correct?

20 A Yes.

21 Q And this was separate and distinct from the
22 encounter you later had regarding the question of a new

1 nominee to take over as head of the RTC; correct?

2 A Correct.

3 Q Before your encounter with Mr. Altman where he
4 said he was thinking about not recusing himself, were you
5 aware of anybody from the White House who called Mr. Altman
6 on the subject of recusing from Whitewater?

7 A No.

8 Q Did you ever hear of somebody from the White
9 House making a call like that?

10 A Excluding conversations with counsel, no.

11 Q Were you invited to a meeting on February 3rd or
12 February 4th in which Mr. Altman was supposed to be
13 discussing the issue of recusal with Mr. Ickes and others?

14 A No.

15 Q When you spoke to Mr. Lindsey concerning
16 Ms. Kulka, did you ask him to check on whether Ms. Kulka
17 had been cleared through the White House?

18 A I don't remember whether I did or didn't. I just
19 don't remember. He may have. No, actually he did because
20 he told me that he hadn't heard or the person he asked
21 hadn't heard she had been submitted by the White House or
22 Mr. Ryan. It was not just her. I don't remember asking

1 him to talk, but it's possible. I don't know.

2 Q But he came back to you?

3 A I remember him coming back to me and saying in
4 response, as a result of our conversation he came back to
5 me and told me he had talked to somebody and they hadn't
6 heard about Ryan or Kulka's names being submitted.

7 Q In February, did you have a conversation with
8 either the president or the first lady concerning the
9 statute of limitations in the RTC matter or with respect to
10 Mr. Altman's recusal?

11 MR. PEDOWITZ: I need to have a brief
12 conversation with the witness.

13 (Witness conferred with counsel.)

14 THE WITNESS: I don't recall having any
15 conversation with the president or the first lady in
16 February with respect to Altman's recusal.

17 BY MR. CHERTOFF:

18 Q Did you have a conversation with Mr. Kendall
19 about it?

20 A I don't remember. I just don't remember.

21 Q Did you tell Mr. Kendall that Mr. Altman had
22 considered recusing himself in February?

1 A I have no memory of telling Mr. Kendall that. I
2 have no memory of telling Mr. Kendall that.

3 Q After February 2nd, did you have further
4 conversation with Mr. Ickes about the issue of Mr. Altman's
5 recusal?

6 A That's possible and maybe even likely. I just
7 don't remember the conversations.

8 Q What about with Ms. Williams?

9 A I don't recall discussing it with her. Again,
10 it's a small intimate place, and I don't exclude the
11 possibility of those conversations but I don't remember.

12 Q In your meeting with Ms. -- in this meeting on
13 February 2 with Mr. Altman, did Ms. Williams express a view
14 on recusal?

15 A On the meeting on February 2nd?

16 Q Yes.

17 A No.

18 Q Did she say she thought Mr. Altman should not
19 recuse himself?

20 A No.

21 Q Did she say that she thought he should not recuse
22 himself because he was a person of integrity?

1 A On February 2nd at the meeting that we had?

2 Q Yes.

3 A No.

4 Q Did you have an interchange with her about her
5 opinion?

6 A At that meeting in front of Mr. Altman?

7 Q Yes.

8 A No.

9 MR. PEDOWITZ: All of these answers are obviously
10 to the best of your recollection.

11 THE WITNESS: To the best of my recollection,
12 yes.

13 MR. CHERTOFF: Mr. Pedowitz, every witness who
14 testifies has to testify to the best of their recollection.

15 MR. PEDOWITZ: That's true.

16 MR. CHERTOFF: You and I know judges go crazy if
17 we begin asking questions by do you recall.

18 BY MR. CHERTOFF:

19 Q There came a point in time in February in which
20 you talked to Ms. Hanson concerning the question of the
21 scope of the independent counsel's investigation; correct?

22 MR. PEDOWITZ: I'm sorry, could we repeat that

1 question.

2 (The reporter read the record as requested.)

3 MR. PEDOWITZ: Scope of the independent counsel's
4 investigation?

5 MR. CHERTOFF: Yes.

6 THE WITNESS: I think I know what you're
7 referring to although you're not using --

8 BY MR. CHERTOFF:

9 Q Tell us what your conversation with Ms. Hanson
10 was.

11 A The next day when I spoke to Mrs. Hanson, she
12 sent over the letter from Congressman Leach and she told me
13 they were going to do continuing research on recusal and I
14 told her, if they wanted, to call Beth Nolan of my office.
15 They should talk to Beth Nolan, who's an expert and good
16 person in this area.

17 I also said to her at that time that if there was
18 a concern with respect to appearances of impartiality with
19 regard to this investigation in connection with the statute
20 of limitations, she should consider looking at the charter
21 of the special counsel that had just been appointed because
22 I believed that there was civil jurisdiction there, and she

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1 should consider whether or not it would be appropriate for
2 the RTC to just to send the whole matter over to the
3 special counsel.

4 Q Did you, in fact, cite her to a page of the
5 Federal Register?

6 A I don't remember. That's possible.

7 Q I mean, was this an off-the-cuff comment in
8 another conversation, or did you specifically call or
9 communicate this?

10 A Originally, it was an off-the-cuff comment but
11 it's possible that she -- I have a vague recollection of
12 something like this -- it's possible that she or somebody
13 asked where the charter of the special counsel was
14 reflected, and they received a response either from me or
15 somebody else as to where you can find the charter of the
16 special counsel. I have some vague recollection, but I
17 don't have a real precise memory but when you said it, it
18 sort of jogs my memory.

19 Q Back in January 1994, were you involved in any
20 discussions concerning negotiating the scope of the special
21 counsel's charter?

22 A No.

1 Q Were you aware of any such discussions?

2 A In the White House?

3 Q Yes. ●

4 A No.

5 Q Were you aware that an effort had been made --
6 whether an effort had been made to limit the scope of the
7 independent counsel's charter?

8 MR. PEDOWITZ: I'd like to have the question read
9 back.

10 (The reporter read the record as requested.)

11 MR. CHERTOFF: Let me rephrase the question.

12 BY MR. CHERTOFF:

13 Q Were you aware whether there was an effort made
14 to limit the scope of the independent counsel's charter?

15 A I was not aware of any such effort being made,
16 and if any such effort had been made, I would have been
17 made aware.

18 Q Were you aware of negotiations with the attorney
19 general concerning the scope of the independent counsel's
20 charter?

21 A I'm aware of no negotiations with the attorney
22 general, and I would be speculating on that issue and I

1 would be enormously surprised if there were any such
2 negotiations. That's the kind of thing I would have been
3 aware of.

4 Q Did you agree that it was appropriate -- let me
5 withdraw the question.

6 What was the reason you suggested to Ms. Hanson
7 that she ought to look at the Federal Register and make a
8 determination about the independent counsel's charter?

9 A Because obviously, the meeting the day before was
10 in reflection of some concern by Altman and by her
11 because -- by Bentsen about this issue as to whether they
12 should proceed with respect -- whether they should proceed
13 in their positions, in effect, with respect to this
14 investigation, and obviously I knew they were concerned. I
15 felt strongly because of my belief that people should do
16 their duty and this should be the White House policy and I
17 believe it was the White House policy or should be the
18 White House policy at that point. Indeed, I believe it was
19 because Lindsey also agreed with me.

20 On the other hand, you know, they're making their
21 own decisions over there. We didn't tell them what to do
22 at the February 2nd meeting. Here, take a look at the

1 charter of the special counsel, make a decision. See what
2 jurisdiction he has and you can consider whether or not you
3 want to send this to him.

4 Q Up to this period of time, were you aware that
5 there was concern on the part of people in the White House
6 about what investigations into Madison or Whitewater might
7 reveal?

8 A No, there was no -- I was not aware of any
9 concern in the White House about what an investigation of
10 Madison or Whitewater would reveal about the president or
11 the first lady because there was a strong belief in the
12 White House then, which remained until the day I left, that
13 the president and the first lady were totally free of any
14 wrongdoing in connection with Madison or Whitewater.

15 Q So you had no concern in your mind or no
16 understanding in your mind of any concern being expressed
17 about the scope of any investigation into the affairs of
18 Madison or Whitewater? Is that your testimony?

19 A The scope of Madison or Whitewater? No. There
20 was no concern about the scope of any investigation into
21 Madison or Whitewater.

22 Q So far as you knew?

1 A So far as I know, yes.

2 Q On February 24th --

3 MR. ZIMROTH: Were you finished?

4 MR. PEDOWITZ: Yes.

5 THE WITNESS: All right.

6 BY MR. CHERTOFF:

7 Q On February 24th, you were in Mexico; correct?
8 That's the day of the Altman hearings?

9 A Yes.

10 Q Did you become aware of an effort or did you get
11 a message that Mr. Altman was trying to reach you that day
12 later?

13 A No. I heard -- when I came back, I saw a phone
14 message to me from Mr. Altman on February 24th. Obviously
15 we never talked on February 24th. I didn't become aware of
16 that when I was in Mexico. I became aware of that later on
17 when I looked at my phone messages that Altman called me on
18 the 24th.

19 Q Did you call him back?

20 A No, I didn't call him back.

21 Q Was there a reason you didn't call him back?

22 A If he wanted to speak to me, he could call me and

1 there was this publicity with respect to his testimony at
2 this point. We were engaged in discussions in the White
3 House as soon as I got back on the matters I discussed
4 yesterday; namely, whether or not his testimony was
5 complete and accurate, what we should do about it, if we
6 felt it was an issue, so I didn't call him back.

7 Q Did you ever find out what he wanted to talk to
8 you about on that day?

9 A No.

10 Q Did you ever learned he retained private counsel
11 earlier in the week following his testimony, retained or
12 obtained?

13 A Did I learn that? No, I didn't learn that.

14 Q Let me direct you to -- to facilitate this, I'll
15 give you a copy of this printed version -- the February
16 24th hearing.

17 MR. PEDOWITZ: To keep?

18 MR. CHERTOFF: No, I'm afraid I only have two
19 copies. I'm sure you can get one.

20 MR. PEDOWITZ: The marked page one?

21 MR. CHERTOFF: No. Let me direct you to a page.

22 BY MR. CHERTOFF:

1 Q Did you ever review the testimony that Mr. Altman
2 gave before you left your position as counsel to the
3 president?

4 A Before I left my position as counsel to the
5 president?

6 Q Right.

7 A As I testified yesterday, I believe on February
8 28, when I returned, Cliff Sloan walked into my office and
9 handed me excerpts of the testimony and asked me to read
10 them. I stayed at my desk and he said doesn't this raise
11 some issues. And we discussed those issues; namely, the
12 number of contacts, the fact that the subject of recusal
13 wasn't mentioned, and I said yes, it does raise some
14 issues. Let's get people together and talk.

15 So the answer is I did see the testimony prior to
16 me leaving the White House.

17 Q Let me direct your attention to page 55 of the
18 book which is questions and answers of Mr. Altman.

19 MR. PEDOWITZ: Mike, do you want to read into the
20 record what this book is.

21 MR. CHERTOFF: This is a hearing before the
22 Committee on Banking, Housing and Urban Affairs, United

1 States Senate, semiannual report of the Resolution Trust
2 Corporation thrift depositor protection oversight board,
3 Senate hearing, 103-579, February 24, 1994, an official
4 record of the Senate.

5 MR. PEDOWITZ: Page 55.

6 BY MR. CHERTOFF:

7 Q I would like you to read the question from the
8 middle of the page, read to yourself the question beginning
9 with Senator Gramm through Mr. Altman's answer that begins
10 at the bottom of page 55 and continues on to conclude at
11 the very top of page 56, because I want to ask you a couple
12 of questions about this.

13 A It starts here. Lawyers are such slow readers.
14 They only read one word at a time.

15 MR. PEDOWITZ: They are.

16 THE WITNESS: All right. I read it.

17 BY MR. CHERTOFF:

18 Q When you read this, did you read this portion of
19 the testimony at the very end of February or very beginning
20 of March 1994?

21 A I think so, yes.

22 Q Did you form an opinion of the accuracy of

1 Mr. Altman's statements?

2 A No. I saw that it raised questions along the
3 lines I've already discussed in my testimony. Now, one
4 thing clearly wasn't accurate, but he requested a
5 meeting -- at least I didn't know whether it was accurate
6 or not. I don't know. Maybe he did call and request a
7 meeting with Mr. Nussbaum, but that was not -- he didn't
8 call Mr. Nussbaum to request a meeting with Mr. Nussbaum.
9 He requested a meeting with Mr. Nussbaum -- he requested a
10 meeting of somebody else that he meet with Mr. Nussbaum. I
11 didn't know that.

12 MR. PEDOWITZ: Mike, break down the question.

13 MR. CHERTOFF: I'm about to.

14 MR. PEDOWITZ: You asked about its accuracy.

15 BY MR. CHERTOFF:

16 Q I asked him whether he formed an opinion about
17 it. Now I'm going to ask him specific questions?

18 A I said I did not form an opinion. I saw it
19 raised certain issues.

20 Q Let me be more particular. There is a
21 description of the content of the February 2nd meeting by
22 Mr. Altman beginning on page 55 and running into page 56;

1 correct?

2 A Yes.

3 Q And it concludes with the statement "that was the
4 whole conversation." In the first week of March 1994 when
5 you read that, did you believe that statement "that was the
6 whole conversation" to be true?

7 MR. PEDOWITZ: The question is not whether or not
8 he believed he was testifying to the best of his
9 recollection and truthfully, but rather you're asking
10 whether Mr. Nussbaum believes that that fully reflected the
11 meeting that occurred on February 2nd.

12 MR. CHERTOFF: I'm asking neither of your
13 questions. I'm not asking Mr. Nussbaum to read the state
14 of mind of Mr. Altman. I am asking Mr. Nussbaum whether
15 the statement, "that was the whole conversation," following
16 upon the description is a true statement of fact.

17 THE WITNESS: Well, look. This is Altman's
18 testimony. He talks about -- this is the kind of
19 discussion we engaged in. Obviously, there is an issue of
20 whether there is a totally complete recitation of the
21 meeting. He says "and we explained the process" -- I'm
22 talking about on the prior page -- "which the RTC would

1 follow in reaching a decision." Now, in his head -- I
2 mean, this is the --

3 BY MR. CHERTOFF:

4 Q I'm not asking you, Mr. Nussbaum, for speculation
5 about his head. I'm not asking you whether he lied. I'm
6 not asking you about his intent. I'm asking you is this a
7 true statement of fact, or did you believe it was a true
8 statement of fact during that first week of March where it
9 says "that was the whole conversation"?

10 A There were additional portions of the
11 conversation that are not reflected in here that, to me,
12 are not reflected in here but maybe in Mr. Altman's head
13 they were reflected in here. That's the best I can say.

14 Q Is it fair to say, therefore, that to you the
15 statement, "that was the whole conversation," following
16 upon the previous description would be a false statement?

17 A No, I don't want to -- see, we're engaging -- you
18 know, Mr. Chertoff, what the conversation was, as I
19 remember it. And what you're trying to do is get me to
20 characterize Altman's testimony whether it's true -- I
21 don't want to characterize his testimony whether it's
22 true or false.

1 Q Mr. Nussbaum, I'm trying to get into your state
2 of mind. I'm not asking for your current opinion. I'm
3 asking for your current state of mind in that first week of
4 March --

5 A My state of mind is when I read this testimony,
6 it raised -- issues had been raised. Sloan had raised them
7 initially. I agreed with Sloan. The issues were raised,
8 whether or not this testimony is complete. I saw arguments
9 both ways with respect to that issue. And I felt, as we
10 all felt in the White House unanimously, that we should
11 call these issues as to whether it's complete to
12 Mr. Altman's attention so he can take whatever steps he and
13 his advisors thought appropriate.

14 Q Did you believe that this testimony was
15 misleading?

16 A I thought issues were raised with respect to that
17 issue, too. I thought one can make an argument that it was
18 misleading and one can make an argument that he intended to
19 encompass it. I thought it was best we bring it to
20 Mr. Altman's attention. I thought it was best for
21 Mr. Altman --

22 Q The next --

1 A Let me finish. I thought it was best for
2 Mr. Altman to clarify this to the Senate; namely, not to
3 rely on the fact that recusal is encompassed under the
4 process or procedures or something like that but to lay out
5 specifically what he said. There was no reason for him not
6 to lay out specifically what he said because there was
7 nothing wrong with what he said or what was said to him.

8 Q Did you -- reading on, "I was asked one question,
9 the question was whether we intended to provide the same
10 briefing to attorneys for the parties at interest. I said
11 I assume so." Was it -- did you believe as you read this
12 in the first week of March that Mr. Altman had only been
13 asked one question during that meeting?

14 A I don't recall him being asked a lot of questions
15 at the meeting. I just recall what he said, and my memory
16 of the meeting is not so much we questioned him, but he
17 made his statement, and we were all sort of stunned and
18 surprised and then I was the one who sort of responded, so
19 I don't remember -- there may have been questions asked.
20 Look, Maggie asked a question about briefing the private
21 attorneys and there may have been other questions too.

22 Q Weren't there questions asked about the identity

1 of the staff that would be playing a role in making the
2 decision?

3 A I'm not sure -- it could have come up in the form
4 of questions -- in response to questions or it could have
5 come up he just mentioned in giving his recitation. I
6 don't remember precisely how that came up.

7 Q After you saw this in early March, did you
8 believe it was very important for Mr. Altman to promptly
9 address the issue of the correctness of his testimony?

10 A Yes, I thought it was important for Mr. Altman to
11 address the issue of the correctness of his testimony, yes.

12 Q Why did you delegate to Mr. Podesta to be the one
13 to address the issue?

14 A Because Podesta -- the Whitewater thing had been
15 building and building and Podesta was the troubleshooter,
16 in charge of coordinating the Whitewater responses.
17 Podesta had been dealing with Altman actually, and I
18 believe prior to the testimony with respect to the
19 testimony that would be given and he was the natural person
20 to do it. I wasn't around and I wasn't dealing with it. I
21 wasn't dealing with Treasury with respect to the testimony
22 that Treasury was going to give at the oversight hearing.

1 So Podesta was the natural person to do it, not me.

2 Q Now, I'd like to direct yourself to page 338,
3 which is the letter of March 11, 1994. The bottom
4 paragraph or the penultimate paragraph says the purpose
5 refers back to the February 2nd meeting and to a subsequent
6 meeting or subsequent discussion with Mr. Ickes. Do you
7 see that?

8 A Yes.

9 Q Now, am I correct that you did not see this
10 letter at the time it went out because by then, you were
11 already announced your decision to leave as White House
12 counsel?

13 A I may have seen this letter after it went out but
14 not before it went out.

15 Q The next sentence says the purpose of both
16 meetings was to provide advice at neither meeting and I did
17 not seek advice nor was it given. From your participation
18 in the February 2nd meeting, is it your testimony that
19 Mr. Altman was not given advice, concerning recusal, from
20 you?

21 A Yes. I think -- again, we're going to get into a
22 big semantic discussion here. What I think about giving

1 advice with respect to recusal, I think one can argue --
 2 one could be referring to advice to recuse yourself or not
 3 to recuse yourself. He basically wasn't given that kind of
 4 advice. He wasn't told not to recuse himself and he wasn't
 5 told to recuse himself. I did make a statement that if
 6 you're legally or ethically required to recuse yourself,
 7 you should recuse yourself but that's not advice to recuse
 8 yourself. That's a statement about what the law is and
 9 following the law. I think that's what he was sort of
 10 contemplating presumably in writing this letter. I don't
 11 know what's in his head. It's obviously his letter.

12 Q I'm asking only for your understanding in terms
 13 of what "advice" means. Is it your testimony that you did
 14 not give advice at the meeting?

15 MR. PEDOWITZ: Can we take a short break?

16 MR. CHERTOFF: Yes. I'm almost done. Just a
 17 couple more questions.

18 (Recess.)

19 MR. CHERTOFF: Let me get the last pending
 20 question.

21 (The reporter read the record as requested.)

22 THE WITNESS: I have described what I said at the

1 meeting in some detail. I do not know whether or not
 2 Mr. Altman considered that advice or didn't consider it
 3 advice. I don't want to characterize what I said. I said
 4 what I said and it's up to you to make the judgment if it's
 5 advice or other people to make a judgment as to whether
 6 it's advice.

7 BY MR. CHERTOFF:

8 Q Mr. Nussbaum, did you give advice to Mr. Altman
 9 on February 2nd?

10 MR. PEDOWITZ: You've asked the question and he's
 11 answered that question to the best of his ability.

12 THE WITNESS: I've answered that question.
 13 Really, you heard what I said. I expressed the views I
 14 expressed at the meeting and whether that should be
 15 characterized as advice or not is for others to judge. I
 16 do know -- this is the important thing -- that I did not
 17 tell Altman what to do ultimately on the recusal issue. I
 18 did not tell him to recuse himself. I did not tell him not
 19 to recuse himself and I told him whatever decision he made
 20 would ultimately be left, it's for him to decide. That I
 21 do know. Whether you want to characterize that as advice
 22 or not characterize it as advice is for others to

1 determine.

2 BY MR. CHERTOFF:

3 Q Are you telling us you did not instruct
4 Mr. Altman what to do?

5 A I did not instruct Mr. Altman what to do. I did
6 not tell Mr. Altman what to do. I did not order Mr. Altman
7 to do anything or not to do anything. I was very precise
8 in what I said to Mr. Altman.

9 MR. CHERTOFF: I think that closes it for me. Do
10 you have something?

11 MR. CODINHA: No. I don't have any further
12 questions.

13 I would tell you that -- I will give you the same
14 concluding remarks that we've given all other witnesses in
15 this case. We're asking that you do not discuss your
16 testimony with anyone else other than your personal counsel
17 before testifying at the hearings. I would also advise you
18 that much as we asked you about meetings and discussions
19 that you had with other people, each and every person who
20 we depose is asked the question whether they spoke with
21 anyone prior to their depositions and what was discussed.
22 Thus any discussions you may have with other deponents will

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1 be made a part of the record of this investigation, and I
2 would advise you that it could prove embarrassing to them.
3 Whether it would prove embarrassing to you, I don't know.
4 I'm not instructing you that you can't do it. Your
5 attorney will tell you what your rights and obligations are
6 on that. I'm just suggesting to you it could be
7 embarrassing for another deponent down the road.

8 THE WITNESS: Off the record.

9 (Discussion off the record.)

10 MR. PEDOWITZ: A question on the record. When
11 will the transcript be available for this deposition or
12 portions of the transcript of this deposition be
13 available?

14 MR. CODINHA: The stenographers control that. It
15 being Sunday, I don't know where our stenographer is going
16 to be on that. She may be able to tell us, but I
17 anticipate by Tuesday the transcript of this deposition of
18 this day will be available.

19 MR. PEDOWITZ: Do you know when the deposition of
20 yesterday would be available?

21 (Discussion off the record.)

22 MR. CODINHA: If you want to see the depositions,

1 make arrangements through Kelly Cordes. Normal business.
2 hours is 9:00 to 5:00.

3 MR. PEDOWITZ: Off the record.

4 (Discussion off the record.)

5 (Whereupon, at 1:25 p.m., the deposition was
6 concluded.)

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BERNARD W. NUSSBAUM

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CERTIFICATE OF NOTARY PUBLIC & REPORTER

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I, JULIE BAKER, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn; that the testimony of said witness was taken in shorthand and thereafter reduced to typewriting by me or under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and, further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.



Notary Public in and for the
District of Columbia

My Commission Expires SEPTEMBER 30, 1997

1359

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LOS ANGELES, CALIFORNIA

TOKYO, JAPAN

September 19, 1994

BY HAND

Doug Epstein, Esq.
Committee on Banking, Housing
and Urban Affairs
534 Dirksen Senate Office Building
Washington, DC 20510

Dear Doug:

Enclosed are corrected pages of Mr. Nussbaum's
Senate deposition, as well as a separate errata sheet
setting forth the corrections.

Please call me if you have any questions.

Sincerely,


Martha L. Cochran

Enclosures

ERRATA SHEET

Name of Case: Transcript of Hearings Before the United States Senate -- Cmmittee on Banking, Housing and Urban Affairs

Deposition of: Bernard W. Nussbaum -- volume 1

Date taken: July 23, 1994

<u>PAGE</u>	<u>LINE</u>	<u>CHANGE</u>
2	17	change "VINCET" to "VINEET"
6	7	change "an" to "and"
7	11	change the "dept" to "kept"
7	11	insert the missing word(s) after "Committee"
10	11	change "Vincet" to "Vineet"
19	13	change "believe" to "believed"
19	21	insert "when you" before "moved"
27	4	change "lawyer" to "lawyers"
31	9	change "desolatory" to "desultory"
33	3	delete "it"
35	7	change "Mac" to "Mack"
35	11	delete "to"
37	18	change "I" to "my"
41	16	change "understanding" to "understand"
48	8	change "regarding" to "regarded"
48	22	change "if" after "RTC" to "is"
49	13	change "Kay" to "Kaye"
50	4	insert "not" after "did"
64	12	insert "General" after "Attorney"
65	7	insert "know" after "you"
67	22	insert "you" after "do"
71	14	inset "make" after "would"
71	14	delete the "a" before "to-do"

ERRATA SHEET

Name of Case: Transcript of Hearings Before the United States Senate -- Committee on Banking, Housing and Urban Affairs

Deposition of: Bernard W. Nussbaum -- volume 2

Date taken: July 24, 1994

<u>PAGE</u>	<u>LINE</u>	<u>CHANGE</u>
4	22	delete "were"
7	17	delete "which"
8	11	change "involve" to "include"
9	8	insert "standard" after "appearance"
10	19	change "if" to "it"
13	7	delete "considered to be"
13	18	change "there" to "they"
13	19	delete "be"
19	7	change "fax" to "faxes"
22	18	insert "the" before "counsel's"
29	19	delete "our letters"
29	19	insert "matters" before "involving"
36	3	delete "the question from"
37	3	change "information" to "misinformation"
44	2	change "On" to "In"
53	17	delete "I was"
55	19	insert "no limit" after "was"
57	1	delete "doesn't"
57	1	change "end" to "ends"
58	9	insert "did you" after "29th"
58	20	change "believe" to "believed"
64	7	change the "you" before "would" to "he"
65	9	delete "in"

68	2	change "in" to "for"
94	14	change "inappropriate" to "appropriate"
99	1	change "sometime" to "some time"
99	2	change "93" to "94"
102	3	change "on" to "and"
106	3	delete "it"
119	1	change "given" to "giving"
122	5	change "certainly" to "certain"
125	13	change "and" to "when"
127	3	change "issues" to "issue"
127	8	change "walk" to "walked"
131	10	change "if" to "then"
134	18	change "Kay" to "Kaye"
135	15	change "to" to "of"
145	17	delete "my primary concern, as I indicated yesterday,"
150	22	insert "meetings" after "such"
150	22	change "it" to "they"
153	8	change "yourself" to "herself"
158	16	delete "issue of"
160	8	insert "in" after "circumstances"
160	8	change "would be waived" to "were raised"
161	10	change "make" to "made"
162	7	insert "an" before "idle"

163	11	change the "and" after "Kulka" to "was"
163	17	insert "the Kaye, Scholer case" after "on"
164	14	delete "the other"
165	12	insert "regard to" after "with"
165	13	insert "even" after "outcome"
165	13	insert "so" before "and"
165	14	change "it" to "so"
169	5	change "believe" to "believed"
183	10	change "learned" to "learn"
186	4	change "but" to "that"
188	21	change "at the" to "to"
192	10	change "were" to "had"
192	16	change "advice" to "notification."
192	16	change "at" to "At"
192	16	delete "and I"
192	17	change "not" to "I"

Biographical Sketch

BERNARD W. NUSSBAUM

From January 20, 1993 to April 5, 1994, Bernard W. Nussbaum served as Counsel to the President of the United States. During that period he headed an office of attorneys which provided advice to President Clinton and the White House staff on a wide range of issues.

He was particularly involved in assisting the President with his law enforcement and judicial nominations, including the appointments of Attorney General Janet Reno, FBI Director Louis Freeh, Supreme Court Justice Ruth Bader Ginsberg and over seventy other federal judges.

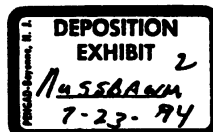
Mr. Nussbaum has known the President and Mrs. Clinton for twenty years, having worked with Hillary Clinton in 1974 when he served as a Senior Counsel to the House Judiciary Committee, which conducted the impeachment inquiry of President Nixon.

In April 1994 Mr. Nussbaum returned to the New York law firm of Wachtell, Lipton, Rosen & Katz where he is presently a senior litigation partner. His practice consists primarily of representing corporate entities, corporate officers and professionals (particularly accountants and lawyers) in major civil and criminal matters.

Mr. Nussbaum grew up in Manhattan and attended New York public schools. He graduated from Columbia College in 1958, where he was editor-in-chief of the daily student newspaper and a member of Phi Beta Kappa. In 1961 he graduated from the Harvard Law School. He was Note Editor of the Harvard Law Review and, upon graduation, received a Harvard University Sheldon Travelling Fellowship to travel around the world for one year.

He served as an Assistant United States Attorney in the Southern District of New York from 1962 to 1966 when he joined the then newly-formed firm of Wachtell Lipton.

He has been a Lecturer in Law at Columbia Law School. Active in local and national legal bodies, he served a two-year term as President of the Federal Bar Council, an organization of over 2,000 attorneys who practice primarily in the Second Circuit's federal courts. He previously served as Vice President and as a member of the Executive Committee of the Association of the Bar of the City of New York. He is a Fellow of the American Bar Foundation.



Involved in community and philanthropic organizations, he served as a trustee of Mount Sinai Hospital in New York, The Jewish Museum in New York, The Jewish Theological Seminary of America, and the Boys Brotherhood Republic (a settlement house on the Lower East side). He and his wife, Toby, have three children.

Mr. Nussbaum has received a number of awards, including, in May 1993, an honorary degree from the George Washington University School of Law.

May 1994

**DEPOSITION OF HAROLD M. ICKES
IN RE: S. RES. 229**

SUNDAY, JULY 24, 1994

**U.S. SENATE,
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS,
Washington, DC.**

Deposition of HAROLD M. ICKES, called for examination pursuant to notice of deposition, at 1:50 p.m. in the Dirksen Senate Office Building, Room SD-538, before JULIE BAKER, a Notary Public within and for the District of Columbia, when were present:

**J. WILLIAM CODINHA, Esq.
Majority Special Counsel
BETH O'NEILL MALONEY, Esq.
Majority Counsel
MICHAEL CHERTOFF, Esq.
Minority Special Counsel
Committee on Banking, Housing, and Urban Affairs
U.S. Senate
On behalf of the Committee.**

**ROBERT S. BENNETT, Esq.
AMY R. SABRIN, Esq.
Skadden, Arps, Slate, Meagher & Flom
1440 New York Avenue, NW
Washington, DC 20004-2107
On behalf of the Deponent.**

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EXHIBITS

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DEPOSITION NUMBER	IDENTIFIED
Exhibit 1 (S. RES. 229)	4, 155

1 PROCEEDINGS

2 MR. CODINHA: Good afternoon, Mr. Ickes. I'll be
3 giving you some overall instructions about what's going to
4 happen, telling your attorney how he can get a look at the
5 deposition after it's done and then we'll be starting on
6 your deposition. I understand that we're going to break so
7 that you can leave at 4:00. What time do you need to
8 leave?

9 MR. BENNETT: We can go right through.

10 MR. CODINHA: So you don't need to break at
11 4:00?

12 MR. BENNETT: We don't need to break at 4:00. I
13 would like, if possible, to finish by 7:30.

14 MR. CODINHA: We'll attempt to finish this as
15 quickly as possible.

16 Mr. Ickes, my name is J. William Codinha. I'm
17 special counsel to the Senate Banking Committee and I'm
18 working on the conducting of an investigation of Senate
19 Resolution 229 into whether improper conduct occurred
20 regarding A, communications between officials of the White
21 House and the Department of the Treasury or the Resolution
22 Trust Corporation relating to the Whitewater Development

1 Corporation and the Madison Guaranty Savings & Loan
2 Association; B, the Park Service Police investigation into
3 the death of White House Deputy Counsel Vincent Foster; and
4 C, the way in which White House officials handled documents
5 in the office of White House Deputy Counsel Vincent Foster
6 at the time of his death.

7 I will tell you, based on the information we have
8 developed in the committee, we believe only A will apply to
9 you, so I likely will not be asking you about B and C under
10 the resolution. At this time, we have had Senate
11 Resolution 229 marked as an exhibit, and it will be the
12 first exhibit in this case.

13 (Ickes Exhibit 1 identified.)

14 MR. CODINHA: I'm joined by Beth O'Neill-Maloney,
15 who is working for me for the majority side in this case,
16 and sitting at the end of the table is Michael Chertoff,
17 who is the Republican special counsel to the committee.

18 This deposition is being taken as a result of a
19 written request from the Senate Banking Committee from the
20 chairman and the ranking member, Senator D'Amato. The
21 deposition is in advance of hearings scheduled to begin on
22 July 29, 1994, and I would advise you that you are likely

5

1 to be called before the Senate Banking Committee at those
2 hearings. In telling you that, I'm trying to give you a
3 little advance warning so you can plan your schedule.

4 MR. BENNETT: Do we know when he's likely to be
5 called?

6 MR. CODINHA: I would say it would not be this
7 coming week, not starting this week, but I believe it would
8 be the week after that. There's some likelihood although
9 the dates have not been set yet.

10 MR. BENNETT: You will talk to us to
11 accommodate --

12 MR. CODINHA: Oh, yes. We will contact you
13 through your attorneys and we will also notify the White
14 House and they will do the coordination.

15 MR. BENNETT: Thank you.

16 MR. CODINHA: Let me talk a little about the
17 conduct of the deposition. You will be placed under oath
18 and at that time I'll be asking you a series of questions
19 and you'll be expected to give honest and truthful answers
20 to those questions. If you don't understand a question
21 that I've asked you, tell me that. Identify the portion of
22 the question you don't understand and I'll attempt to

6

1 rephrase it.

2 Your attorney may make an objection as to the
3 form of the question. If that's done, I may ask your
4 attorney to rephrase the question in a way that's
5 satisfactory to him. If it's acceptable to me, it will be
6 asked that way. Otherwise I may ask for you to answer the
7 question I have asked.

8 The stenographer is going to prepare a record of
9 all the questions, answers and any objections taken at this
10 deposition. The transcript of the deposition will be kept
11 committee confidential until the commencement of the
12 hearings, at which time the members will decide how to
13 handle this transcript.

14 You may confer with your counsel at any time
15 during this deposition and although I will tell you that
16 the stenographer will make a note that you're conferring
17 with counsel, it should not deter you in any fashion from
18 talking to your lawyer. You're here represented by counsel
19 and if you want to talk to him, you may talk to him. For
20 the record, counsel will you just identify yourself for the
21 record.

22 MR. BENNETT: Robert S. Bennett.

1 MR. CODINHA: And --

2 MS. SABRIN: Amy R. Sabrin.

3 MR. CODINHA: Mr. Ickes, what we have told
4 counsel -- I'm sorry, what we have told witnesses who have
5 appeared with counsel is that if more than one counsel
6 appear with them, one counsel may speak at the deposition.
7 The other counsel is not to speak at the deposition.

8 Mr. Bennett, who will speak at this deposition?

9 MR. BENNETT: I'll speak.

10 MR. CODINHA: We follow that as a practice;
11 otherwise, lots of people are talking and the stenographer
12 has a problem getting it and we have a problem following
13 it.

14 We will take breaks during the deposition.
15 Usually about every hour and a half or two hours we'll take
16 a break. However, I will advise you that depositions can
17 be tiring and if at any time during the deposition you want
18 a break that isn't a scheduled break, just say I need a
19 break and we'll take a break. There won't be any question
20 as to whether you can get it or not.

21 The other thing I will tell you is if at any time
22 you feel your answers are getting less accurate because you

1 become tired or you just need some space to think about it,
2 tell your lawyer or tell me and we'll take a break.

3 Now, the deposition, after it's prepared, will be
4 kept committee confidential. However, if your attorney
5 wants to review it or if you want to review it, you have to
6 make arrangements with Kelly Cordes at 224-1568 to read
7 it. It's usually prepared the day after your testimony is
8 done. At latest, it will be Tuesday. I suspect very
9 strongly that this will be ready tomorrow.

10 It may be reviewed during ordinary business hours
11 at the offices of the Senate Banking Committee, and
12 ordinary business hours are 9:00 to 5:00. You will not be
13 getting a copy of this transcript unless and until it is
14 released to the public. However, as I said, you can review
15 it.

16 There will be a jurat page supplied for you to
17 make corrections. Your attorney can explain a jurat page.
18 That will allow you to make changes; for instance, if a
19 person's name is used and it's misspelled, that can be
20 changed, minor corrections in transcription, if there's
21 some grammatical change you wish to make.

22 However, I will tell you if there are changes

1 made in the substance of an answer, for instance, a yes
 2 changing to a no, that may require you to be brought back
 3 in and redeposed, and I want to make you aware of that. It
 4 should not deter you, however, from making changes. Since
 5 some counsel believe that they can make changes in the
 6 deposition themselves, we have clarified, if changes are
 7 made on the jurat page, they are to be made by the witness,
 8 not by counsel.

9 The scope of this deposition will be strictly
 10 limited to the scope of the hearings as defined in Senate
 11 Resolution 229. Counsel, as I've said, may make objections
 12 to the form of question and those will be addressed here.
 13 There's a special objection I'd like to tell you about, and
 14 that is that an objection is proper if the subject matter
 15 of the question is outside the scope of Senate Resolution
 16 229. In the event that a scope objection is made and not
 17 resolved on the record, the question will be asked for the
 18 record and held until the conclusion of the deposition, at
 19 which time it will be brought to the attention of the
 20 chairman, Senator Riegle, or his designee, for a final and
 21 binding determination as to whether an answer is required.

22 If a scope objection is made, please do not

1 answer the question unless you are advised the objection
 2 has been resolved, so we'll just hold that question.

3 Now, having heard what I've said, do you
 4 understand the terms of this deposition?

5 THE WITNESS: I think so.

6 MR. CODINHA: Will the stenographer swear in the
 7 witness, please.

8 Whereupon,

9 HAROLD M. ICKES

10 was called as a witness and, having first been duly sworn,
 11 was examined and testified as follows:

12 EXAMINATION

13 BY MR. CODINHA:

14 Q Mr. Ickes, for the record, would you tell us your
 15 whole name.

16 A Harold Ickes.

17 Q Do you have a middle initial, sir?

18 A M as in Mary.

19 Q How do you spell your last name?

20 A I-c-k-e-s.

21 Q What is your date of birth, sir?

22 A

1 Q And what is your Social Security number?

2 A

3 Q Where do you live?

4 A

5 Q And where in Washington?

6 A

7 Q With whom do you live there?

8 A

9 Q Prior to coming here today, did you talk to
10 anyone besides your counsel about the subject matter of
11 your deposition?

12 A I'm not sure -- come here.

13 (Witness conferred with counsel.)

14 About the subject matter of the deposition --
15 initially, at least, is contacts. Have I talked to
16 anybody?

17 Q Yes.

18 A I've talked to a number of people.

19 Q Have you talked to anybody since you became aware
20 that the Senate is going to depose you since June 22 or
21 shortly thereafter when you received a letter advising you
22 that you may be deposed?

1 And not your counsel, I'm not interested in
2 conversations you had with counsel.

3 MR. BENNETT: I guess the problem he's having is
4 if the thrust of the question is has he talked to people
5 about the substance of what they have testified to or
6 gotten direction as to what he will testify to, the answer
7 is no. This is a matter of discussion generally.

8 THE WITNESS: Exactly. I have not talked to
9 people about the substance but obviously -- not
10 obviously -- there was discussion about just the process
11 and the procedure.

12 MR. BENNETT: I mean, he gets calls from the
13 press, which part of his responsibilities are to deal with,
14 so these are subject matters he's coping with.

15 Let me make it clear to you, we have advised him
16 that we did not want him talking to individual witnesses
17 about their testimony and whatever, and I have no reason to
18 believe that has not been complied with.

19 BY MR. CODINHA:

20 Q Let me ask you that question: Have you talked to
21 individual witnesses about their testimony?

22 A No.

13

1 Q Did you receive a letter from the Senate Banking
2 Committee requesting production of documents on or about
3 June 22?

4 A I recall such a letter, and I turned it over to
5 Mr. Bennett.

6 Q Did you produce documents independently of the
7 White House producing documents?

8 MR. BENNETT: No.

9 BY MR. CODINHA:

10 Q Did you attempt to see whether you had any such
11 documents that fit within the June 22 letter?

12 A I discussed it with Mr. Bennett and whatever he
13 produced is what complied with the letter, as far as I
14 know.

15 Q Prior to coming here for this deposition today,
16 did you review any documents in preparation of the
17 deposition?

18 MR. BENNETT: Other than what I -- how I prepared
19 him for this?

20 BY MR. CODINHA:

21 Q I want to know if you looked at any documents.
22 I'm not asking you who prepared them for you.

14

1 A Other than what I looked at with Mr. Bennett and
2 at the House interview yesterday or the interview by the
3 House committee, the answer is no.

4 Q And what documents did you look at?

5 A I looked at --

6 MR. BENNETT: I'm going to let him tell you what
7 he looked at that was shown to him by the House, but not
8 get into what I may or may not have shown him in our
9 meetings.

10 THE WITNESS: As I recall, I looked at what was
11 reported to be a typewritten transcription of a diary made,
12 or part of a diary made by Mr. Steiner and there was a
13 memo -- at least a copy of a memo purportedly from me to
14 the first lady which had attached to it -- which was
15 represented to me as having attached to it, although I
16 didn't see it, a redacted memo, but the memo -- my memo to
17 the first lady was shown to me -- the memo that was
18 attached to that memo was not shown to me. It was reported
19 that -- it was represented there was such a memo. It was
20 heavily redacted but it was not shown to me.

21 What else was shown yesterday?

22 MR. BENNETT: Calendars, appointment books.

15

1 THE WITNESS: Oh, yes. Calendars -- apparently,
 2 there was a calendar that was stated by one of the
 3 counsels -- Mr. Bentsen's calendars for a certain period of
 4 time during 1994, and a page or two pages from my
 5 calendar. I guess there was a page from my calendar as
 6 well as a copy of what was represented to me to be one of
 7 my schedules that I carry around.

8 MR. BENNETT: Keep your voice up.

9 THE WITNESS: I'm sorry. Just yell.

10 BY MR. CODINHA:

11 Q In anticipation of -- do you recall any other
 12 documents that you reviewed?

13 A I reviewed a letter from Mr. Altman, a
 14 handwritten letter from Mr. Altman to the president, which
 15 I recall receiving after the cutoff date of the subpoena
 16 from Mr. Fiske.

17 Q Do you recall any other documents you reviewed in
 18 anticipation of this deposition?

19 A Not that I recall, no.

20 Q Were you shown any documents which purported to
 21 be the diary or scrapbook of Mr. Altman?

22 A I don't think I saw anything from --

16

1 MR. BENNETT: Just answer.

2 THE WITNESS: I'm sorry. I don't think I saw
 3 anything from Mr. Altman. I don't recall it.

4 BY MR. CODINHA:

5 Q In early July, I believe the Senate Banking
 6 Committee sent you a letter request that you come in for
 7 this deposition. And I believe you were asked to bring a
 8 copy of your curriculum vitae or your CV along. I say "I
 9 believe" because some witnesses didn't get that request.
 10 Did you not get that request?

11 A I don't recall. I turned the letter over to
 12 Mr. Bennett. I have not looked at it since.

13 MR. BENNETT: We will send you one.

14 MR. CODINHA: What I'd like you to do is send a
 15 copy of the CV and that will be marked as the next exhibit
 16 to the deposition.

17 MR. BENNETT: Fine.

18 BY MR. CODINHA:

19 Q The single question I ask about the CV, without
 20 reviewing it, is whether it's accurate. So I'm putting
 21 that question to you in anticipation of receiving the CV.
 22 Please review it for accuracy and then it will become a

1 part of the record.

2 Have you been interviewed or given testimony to
3 any other investigative body that is investigating the
4 subject matter of Senate Resolution 229?

5 A I have.

6 Q And what investigatory agencies have you given
7 testimony to?

8 A As I recall, it was a joint interview recently by
9 someone from the Treasury Department. I think it was from
10 the Inspector General's office at the Treasury Department
11 and at that same interview, someone from the Office of
12 Government Ethics.

13 Q Have you been interviewed by any other
14 investigative agency?

15 A No.

16 MR. BENNETT: Just the special counsel,
17 Mr. Fiske. We're not quite sure how you --

18 MR. CODINHA: That's fine.

19 THE WITNESS: And the House yesterday.

20 BY MR. CODINHA:

21 Q Have you given any other interviews to any
22 inquirers about the subject matter of Senate Resolution

1 229, such as the White House?

2 A Yes.

3 Q With respect to the Treasury IG's office and
4 Office of Government Ethics interview, when did that take
5 place?

6 A About a week ago.

7 Q Was that interview transcribed?

8 A It was.

9 Q And have you received a copy of the
10 transcription?

11 A Yes.

12 Q Have you reviewed a copy of the transcription?

13 A Yes.

14 Q Do you object to us, the Senate, having a copy of
15 that interview?

16 MR. BENNETT: I don't have any objection to it.

17 MR. CODINHA: We would request at this time that
18 we get a copy of that.

19 MR. BENNETT: And we'll make it a part of this
20 record?

21 MR. CODINHA: Yes. I would tell you that
22 anything we request, either by a letter request or at this

1 deposition will become a part of the record.

2 MR. BENNETT: Fine.

3 BY MR. CODINHA:

4 Q With respect to the Office of Independent
5 Counsel, when were you interviewed by them? That's
6 Mr. Fiske's group.

7 A I don't know that I was.

8 MR. BENNETT: Well, it was a grand jury
9 appearance. He was not interviewed. I assume you don't
10 mind me correcting on these preliminary.

11 MR. CODINHA: No, I don't object to that.

12 THE WITNESS: I wasn't taking that in the context
13 of an interview.

14 MR. BENNETT: He wasn't interviewed. He just
15 made a cold grand jury appearance.

16 BY MR. CODINHA:

17 Q Following the grand jury appearance, were you
18 asked to sit down or speak with any investigators from
19 Mr. Fiske's group, either FBI investigators or other
20 investigators and discuss your testimony?

21 A No, not that I recall.

22 Q You say you've already given testimony to a House

1 inquiry investigators?

2 A Yesterday.

3 Q And was a transcription of that taken?

4 A Not to my knowledge.

5 Q Was anyone taking notes at that inquiry?

6 A Yes.

7 Q You indicated that you had given information to
8 the White House. When did that take place?

9 A That took place the same, about a week ago, the
10 same day as I was interviewed by the Treasury IG and
11 representative from the Office of Government Ethics.

12 Q Did it take place at the same time or separately?

13 A No, separately. It took place shortly before the
14 interview by Treasury IG.

15 Q Who did the interview?

16 A Two lawyers with the White House counsel's
17 office. Jane Sherbourne and Sheila --

18 Q Cheston?

19 A Yes, Cheston.

20 Q Was Mr. Cutler present at that interview?

21 A He was not.

22 Q Were you shown any documents at that interview?

1 A I don't recall being shown any. It may have
2 been, but I don't recall any documents.

3 Q Did you now recall any other investigatory
4 agencies that have interviewed you?

5 A No.

6 Q Let me turn your attention to the position you
7 now hold with the government. What is the title of that
8 position?

9 A I'm an assistant to the president and deputy
10 chief of staff.

11 Q When did you take that position or those
12 positions?

13 A During the beginning of the first week of January
14 of 1994.

15 Q Prior to the first week of January of '94 when
16 you took those positions, had you held any other position
17 in the administration beginning from January 20th of 1993?

18 A No, I had not.

19 Q Prior to holding that position, had you played
20 any unpaid roles with the administration beginning after
21 January 20, 1993?

22 A For a very short period of time, some 10 days to

1 two weeks maximum, as I recall, I was working in the White
2 House.

3 Q When did that 10-day, two-week period occur?

4 A It started with the 20th of January and ran on.

5 Q You were there from the 20th of January, 1993 for
6 10 days or two weeks?

7 A Very late January or very early February when I
8 went back to New York.

9 Q What role were you playing at that time?

10 A I had been involved in the transition effort in
11 Little Rock. I was the deputy to Warren Christopher, and I
12 came up basically to follow up on some of the work I had
13 been doing there in helping staff the White House, and
14 basically that's what I was doing.

15 Q To the best of your knowledge, how did it come
16 about that you became an assistant to the president and
17 deputy chief of staff?

18 A I was asked by the president and by Mr. McLarty,
19 who was then the chief of staff.

20 Q Had you known Mr. McLarty before being asked to
21 be his deputy chief of staff?

22 A Yes.

23

1 Q And had you known the president before he asked
2 you -- strike that.

3 For how long a time had you known the president
4 before he asked you to become an assistant?

5 A Since the early 1970s.

6 Q How had you known the president, in what
7 capacity, if any?

8 A A friend.

9 Q You're a friend of his. And had you maintained a
10 friendship with the president between the early 1970s and
11 the time he became president?

12 A Yes.

13 Q As advisor to the president -- I'm sorry, as
14 assistant to the president, what are your duties and
15 responsibilities?

16 A My primary responsibilities are to coordinate the
17 president's health care initiative. I also coordinate the
18 White House's role in the 1994 elections as well as the
19 relationship -- the White House's relationship to political
20 efforts generally and to the Democratic National
21 Committee.

22 And when I first came there, I had some

24

1 responsibility with respect to dealing with the press and
2 responding to the press on what is known generally as
3 Whitewater matters. A number of other things will come up
4 during the course of a day or week but those are my primary
5 responsibilities.

6 Q As assistant to the president, to whom do you
7 report?

8 A I report -- well, as assistant to the president
9 deputy chief of staff, I report to the chief of staff.

10 Q Let me ask you, is your whole title assistant to
11 the president, deputy chief of staff?

12 A Either dash, or and.

13 Q Those are not separate roles, but they're one
14 role?

15 A They're one role, yes.

16 Q As far as you know, did anyone have that position
17 before you took it?

18 A Yes.

19 Q Who was that position?

20 A Immediately before me, I think it was Roy Neel,
21 N-e-e-l, I think. Let me add for clarification, there is a
22 second deputy chief of staff by the name of Phil Lader,

1 L-a-d-e-r.

2 Q So you report to the chief of staff in your role
3 as assistant to the president and deputy chief of staff?

4 A Yes.

5 Q Do you report to anyone else?

6 A No. I report to the chief of staff.

7 Q Do you report to the President of the United
8 States?

9 A Well, all of us report to the President of the
10 United States.

11 Q Do you report directly to the president or
12 through the chief of staff?

13 A It depends on the subject matter and the
14 situation at hand. Sometimes I speak directly with the
15 president. Most of my time, however, I speak directly with
16 the chief of staff.

17 Q In the White House hierarchical structure, there
18 is counsel to the president. Do you report to the counsel
19 to the president?

20 A I don't report to the counsel of the president.
21 I speak with the counsel of the president.

22 Q In terms of the White House hierarchical

1 structure, are you on equal footing with counsel to the
2 president or above that or below that, if you know?

3 A I think it depends upon the subject matter of the
4 question.

5 Q So on legal matters, the counsel to the president
6 would be on a higher matter but on general matters, you
7 would be on either the same level or you might be higher?

8 A Exactly.

9 Q With respect to senior advisors to the president
10 and the hierarchical structure, do you report to senior
11 advisors to the president?

12 A Again, it depends upon the subject matter. If
13 it's a subject matter directly within the scope of another
14 senior advisor, I don't know whether I would use the term
15 "report," but I would certainly discuss and perhaps
16 report. It really depends upon the circumstances.

17 Q With respect to the issue of Whitewater, would
18 you report to senior advisors to the president -- strike
19 that.

20 Are there senior advisors to the president to
21 whom you would report?

22 A To the chief of staff.

1 Q The chief of staff has a title of chief of
2 staff. I'm now talking about senior advisors to the
3 president, such as Bruce Lindsey.

4 A I wouldn't report to him. I would discuss
5 matters with him, but I would not report to him. I
6 reported, on Whitewater I reported to the chief of staff,
7 who is also a senior advisor.

8 Q Are you aware of whether Mr. Stephanopoulos is a
9 senior advisor to the president?

10 A There's no title. Senior -- I don't think
11 there's a title "senior advisor." It is a judgment that is
12 reached, I think, by others, but Mr. Stephanopoulos would
13 be considered, in my view, a senior advisor to the
14 president.

15 Q On the matter of Whitewater, would you report to
16 Mr. Stephanopoulos on matters?

17 A No. I would discuss matters with him.

18 Q Did you consider Mr. Lindsey on the matter of
19 Whitewater to be in the hierarchical structure equal to
20 you?

21 A With respect to what matters?

22 Q Whitewater.

1 A He was very knowledgeable about Whitewater. I
2 didn't report to Mr. Lindsey, but I certainly discussed
3 matters with him.

4 Q And with respect to Mr. Stephanopoulos, on the
5 hierarchical structure with respect to the subject matter
6 of Whitewater, did you consider him above or on the same
7 level as you were?

8 A Same level.

9 Q I have been using a term here, "Whitewater," and
10 let me perhaps define it. As I am going to be asking you
11 questions, I'm going to use two terms. One is Whitewater
12 Development Corporation. Another is the Madison Guaranty
13 Savings & Loan Association. For convenience's sake, I may
14 only refer to them as Whitewater and Madison and with the
15 permission of your lawyer and yourself, I will do that if
16 there's no objection.

17 When did you first -- strike that.

18 You've been responding to questions about
19 Whitewater. When did you first become aware of Whitewater?

20 A Let me say, I have not been interpreting
21 Whitewater as you've just defined it. When did I first
22 become aware of it? Through general press accounts on a

29

1 very ad hoc basis during the course of 1993. I first heard
2 of Whitewater during the either primary or general election
3 campaign of 1992.

4 Q With respect to Madison, when did you first --
5 when, if ever, did you first become aware of Madison?

6 A It was sometime during 1993 through newspaper
7 accounts.

8 Q Before coming to work at the White House in the
9 first week of January of 1994, did you do any work for the
10 White House, perhaps in the fall or early winter up through
11 December of 1993, with respect to Whitewater or Madison?

12 A No.

13 Q Were you consulted by anyone in the White House
14 with respect to Whitewater or Madison during that time
15 period?

16 A I don't recall being consulted.

17 Q Are you aware -- as we sit here today, are you
18 aware of a 1992 -- let me withdraw the question.

19 Do you know what the initials RTC stand for?

20 A I think in this context, I assume they stand for
21 Resolution Trust Corporation.

22 Q And that's what I mean by that. As we sit here

30

1 today, are you aware of a 1992 criminal referral concerning
2 Madison, which mentions the Clintons?

3 A As I sit here today?

4 Q Yes.

5 A Yes.

6 Q When did you first become aware of that?

7 A It was not until 1994, and I think to the best of
8 my recollection, it was not until sometime in February of
9 1994, and I can't place it any closer than that.

10 Q And what was the -- how did you become aware of
11 the 1992 RTC criminal referral?

12 A It was either through -- I don't know which came
13 first, either through a press account or someone telling
14 me -- somebody who works in the White House telling me
15 about it and I couldn't tell you who, when or what time.

16 Q Putting aside the press account for the moment,
17 if it were someone in the White House, do you recall how it
18 came about that that was being discussed?

19 A I don't.

20 Q Do you recall whether it was someone from the
21 White House counsel's office or some other office of the
22 White House?

1 A No. As I said, I don't know who, when or where.

2 Q What did you come to know about the 1992 RTC
3 criminal referral in February of 1994?

4 A Come to know through any source?

5 Q First, what did you come to know and then I'll
6 ask you about the source of that information.

7 A Generally, that there had been -- my
8 understanding is there had been a criminal referral or at
9 least a proposed criminal referral which had been, I think,
10 rejected either by RTC or by the Justice Department and
11 there was, I gather, or my understanding was there was a
12 subsequent reopening of that. I don't know the final
13 disposition on that.

14 Q Have you now told me all you can recall of what
15 you knew about the 1992 criminal referral?

16 A That's the essence of it.

17 Q Do you recall the source of your information,
18 that it had been rejected by the RTC or by Justice?

19 A My recollection, as I sit here today, it was
20 either through somebody in the White House or through a
21 press account, and I couldn't tell you which came first.

22 Q Did you have -- did that cause you to ask why the

1 referral had been rejected by the RTC or Justice to the
2 individual who was telling you about it?

3 A Not that I recall.

4 Q Did you have any curiosity as to why that had
5 been rejected by the RTC or Justice?

6 A I think I had read it in a press account of why
7 it had been rejected and I didn't probe beyond that.

8 Q Do you recall today what that press account of
9 why it had been rejected?

10 A I don't.

11 Q You also indicated that you might have had
12 conversation about the reopening of that referral. Do you
13 recall what was said to you about the reopening of that
14 referral?

15 A I don't recall any specific conversation. It is
16 my recollection that it was reopened, and I either learned
17 of that through an account or accounts of somebody in the
18 White House or through the press. I don't know which came
19 first.

20 Q Do you recall questioning at that time why the
21 referral had been reopened?

22 A I recall either questioning or learning about it

1 through press accounts.

2 Q Did you learn the reason why the referral had
3 been reopened?

4 A Well, I read press accounts of why it had been
5 opened.

6 Q What's your understand today of why it had been
7 reopened?

8 A My understanding is -- as I recall, people in --
9 RTC employees in Kansas City asked that it be reopened or
10 developed additional information. I don't recall the exact
11 nature and circumstances of it being reopened.

12 Q Do you recall whether you discussed the fact that
13 RTC employees in Kansas City had requests that the 1992
14 criminal referral be reopened? Did you discuss that with
15 anyone in the White House?

16 A I may well have. I don't recall any specific
17 instance.

18 Q As we sit here today, are you aware that there
19 were a second set of nine RTC criminal referrals which were
20 made in 1993 concerning Madison which also mentioned the
21 Clintons?

22 A Second set of nine?

1 Q A second set of nine criminal referrals.

2 A No, it's the first time I heard either the second
3 set or nine.

4 Q When you were responding to my earlier questions,
5 and I was asking you about the 1992 referral, as we sit
6 here today, do you recall it was a 1992 referral that was
7 being discussed?

8 A It could have been 1993. I don't recall.

9 Q At some point, did you learn about a meeting
10 which occurred on September 29th of 1993 that involved the
11 Treasury Department and the White House?

12 A I learned about it, yes.

13 Q And when was the first time you learned about the
14 September 29th meeting?

15 A As I recall, it was sometime during the month of
16 February. It could have been January, but I recall it
17 being during the month of February.

18 Q What were the circumstances under which you
19 learned about the September 29th meeting?

20 A It could have been either through somebody --

21 MR. BENNETT: Don't speculate. He's entitled to
22 full and complete answers, but could -- don't speculate.

1 THE WITNESS: I don't recall.

2 BY MR. CODINHA:

3 Q As best you can recall today, how do you believe
4 you found out about the September 29th meeting?

5 MR. BENNETT: You can answer it if you can answer
6 it.

7 THE WITNESS: It was either through an individual
8 in the White House or through a press account.

9 BY MR. CODINHA:

10 Q Do you recall any individual in the White House
11 who told you about the September 29th meeting?

12 A As I sit here today, no.

13 Q It has been reported that Mr. -- strike that.

14 The committee has developed evidence that
15 Mr. Nussbaum attended the September 29th meeting. Do you
16 recall Mr. Nussbaum telling you that he was at the
17 September 29th meeting?

18 A He may well have. I don't recall specifically.

19 Q The committee has developed evidence that
20 Mr. Sloan, Mr. Clifford Sloan -- do you know who Clifford
21 Sloan is?

22 A I do.

1 Q Let me take a step back and I apologize for
2 this. Do you know who Bernard Nussbaum is?

3 A I do.

4 Q And was he counsel to the president when you
5 arrived at the White House?

6 A He was.

7 Q Do you know who Clifford Sloan is?

8 A I do.

9 Q Who did you know Clifford Sloan to be?

10 A I don't know his exact title, but I think he was
11 an associate or assistant counsel to the president.

12 Q He worked in the legal office?

13 A He worked in the counsel's office.

14 Q With respect to Mr. Sloan, do you recall
15 discussing with Mr. Sloan the September 29th meeting?

16 A I don't have a specific recollection of it. I
17 may well have.

18 Q In your discussions with people at the White
19 House who you can't now recall, do you recall the subject
20 matter of the September 29th meeting being discussed?

21 A When you say the "subject matter" --

22 MR. BENNETT: He's not sure he had

1 conversations. He said conversations or the press. But
2 what you're asking him is if there were conversations?

3 BY MR. CODINHA:

4 Q Is it helpful at all to you in remembering
5 whether or not conversations occurred in the White House
6 with respect to the September 29th meeting?

7 A There were conversations. I can't place the
8 time, date or who.

9 Q Now, with respect to those conversations, what
10 were you told by people in the White House occurred at the
11 September 29th meeting?

12 A I don't recall any detailed conversations about
13 what occurred at the September meeting.

14 Q Do you recall general conversations of what
15 occurred at the September meeting?

16 A No.

17 Q Do you recall conversations of who was involved
18 at the September meeting -- strike that -- of who was
19 present at the September meeting?

20 A Yes.

21 Q Who do you recall who you were told was present
22 at the September 29 meeting?

1 A I don't recall being told by anyone who was
2 present. I recall there being press account and discussion
3 revolving around those press accounts.

4 Q Do you recall being told by anyone at the White
5 House that individuals from the Department of the Treasury
6 were present at the meeting?

7 A I recall discussions about who was present at
8 those meetings.

9 Q And the discussions, did they revolve around the
10 fact that officials from the Department of Treasury were
11 present?

12 A Yes, that had been reported in the press.

13 Q And was that then discussed at the White House
14 after it had been reported in the press?

15 A It was.

16 Q Did people confirm that people from -- did people
17 at the White House confirm that people from the Department
18 of Treasury had been present at the September 29th meeting?

19 A I don't recall any direct confirmation to me.

20 Q Was there discussion which was, in your presence,
21 as to the appropriateness of people from the Treasury being
22 present at the September 29th meeting?

1 A It had been raised in the press and I think there
2 was discussion around it.

3 Q Who was having that discussion?

4 A I don't recall.

5 Q Was this just general corridor discussion, or was
6 this discussion that was being held at meetings?

7 A Basically corridor discussion, as far as I was
8 concerned.

9 Q Were you able to determine from the general
10 corridor discussions what had been discussed at the
11 September 29th meeting?

12 A No.

13 Q Did you ever ask Mr. Nussbaum what had been
14 discussed at the September 29th meeting?

15 A I may have. I don't recall that I did.

16 Q Did you ever ask Mr. Sloan what had been
17 discussed at the September 29th meeting?

18 A Same answer.

19 Q Do you know who Neil Eggleston is?

20 A I do.

21 Q And did you know him to be a lawyer in the
22 department of the counsel to the president?

1 A Yes.

2 Q The legal office.

3 A Yes.

4 Q Did you discuss with Mr. Eggleston the subject
5 matter of the September 29th meeting?

6 A I don't recall having any specific discussions
7 with him about the subject matter.

8 Q Did you become aware of a meeting which took
9 place on October 14th of 1993 at the White House?

10 A I don't know the exact date. I recall that there
11 was discussion about an October meeting.

12 Q And where did that discussion take place?

13 A I'm sorry?

14 Q Did that discussion at the place at the White
15 House?

16 A I don't think I confirmed there was a
17 discussion. I said I became aware of it. I became
18 aware -- let me back up. I became aware of a meeting in
19 October.

20 Q And how did you become aware of a meeting in
21 October?

22 A I don't recall whether it was through a press

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1 account or through one or more individuals in the White
2 House discussing it.

3 Q If it were through one or more individuals in the
4 White House discussing it, who would those individuals have
5 been, if you can recall?

6 A I don't recall.

7 Q Did you come to find out who was present at the
8 October meeting?

9 A As I recall, I did. As I sit here today, I
10 couldn't tell you who they were.

11 Q Did you come to find out that Mr. Nussbaum was
12 present at the October meeting?

13 A I could well have. I don't recall.

14 Q Did you come to find out that Mr. Sloan was
15 present at the October meeting?

16 A Same answer.

17 Q Did you come to find out whether Mr. Eggleston
18 present at the meeting?

19 A Same answer.

20 Q Did you come to find out whether Mr. Gearan was
21 present at the October meeting?

22 A Same answer.

42

1 Q To the best of your memory, when did you first
2 become aware of the October meeting?

3 A I think it was sometime in February, and there
4 had been -- I think there had been a press account or press
5 accounts about it.

6 Q Did you become aware whether any people from the
7 Treasury Department were present at the October meeting?

8 A As I recall, there had been Treasury people. I
9 couldn't tell you their names. That's the answer.

10 Q Did you know who Josh Steiner was?

11 A At what time?

12 Q In February of 1994.

13 A Yes, I did.

14 Q Did you know that he was chief of staff to
15 Secretary Bentsen of the Treasury?

16 A That's what I had been told.

17 Q And previously to that, he had been the principal
18 assistant to Roger Altman who was deputy secretary of the
19 Treasury?

20 A I came to know that, yes.

21 Q And did you know in February of '94 who Jean
22 Hanson was?

1 A I did in February of '94, yes.

2 Q Did you come to know -- did I just ask that you
3 knew she was general counsel to the Treasury?

4 A In February, I learned that. I learned that.

5 Q Did you know who Jack DeVore was?

6 A I knew from press accounts that he had been a
7 close aide to Senator Bentsen -- or now Secretary Bentsen.

8 Q And was working at the Treasury in the office of
9 public affairs? Did you know that?

10 A My understanding is he was Secretary Bentsen's
11 chief spokesman.

12 Q Did you understand that Mr. DeVore was in a
13 communications department of the Treasury?

14 A I didn't focus on what department he was in. I
15 didn't know what department he was in.

16 Q Did you become aware in February of 1994 that
17 Mr. Steiner had been present at the October meeting?

18 A Again, I don't recall any specific individuals.
19 As I sit here today, I don't recall his name ever being
20 raised, at least in my presence, and I had no knowledge of
21 that.

22 Q Did you become aware that Ms. Hanson had been

1 present at the meeting?

2 A Again, I don't remember specific individuals.

3 Q Do you have any notes or materials that would
4 help you remember whether this was discussed at the
5 meeting?

6 A Not that I recall. Whatever notes were included
7 in Fiske's subpoena have been turned over to my counsel.

8 Q Did you become aware sometime after 1994 when you
9 started working at the White House that a memorandum of the
10 October meeting had been prepared?

11 A I do not recall learning about that. I may well
12 have but as I sit here today, I don't recall.

13 Q Have you reviewed a copy -- strike that.
14 Have you ever seen a copy of a memorandum from
15 Bruce Lindsey to the file which related to this meeting?

16 A I may have. As I sit here today, I don't recall.

17 Q Do you recall --

18 MR. BENNETT: May I ask, is that the same memo?

19 MR. CODINHA: Is what the same memo?

20 MR. BENNETT: The October memo. You referred to
21 the October memo and you asked if he saw the Lindsey memo.
22 Is that the same memo?

1 MR. CODINHA: It's the same memo I'm referring
2 to.

3 BY MR. CODINHA:

4 Q Do you recall seeing a memo that was prepared by
5 Mr. Lindsey that concerned the Whitewater Development
6 Corporation?

7 A Any memo?

8 Q Yes.

9 A I don't recall at this point any specific memo.
10 I may have, but I don't recall any specific memo.

11 MR. BENNETT: I would ask -- excuse me. I would
12 ask if there are such memos and he can't remember, if you
13 want to refresh his recollection.

14 MR. CODINHA: First, I'd like to test his memory.

15 MR. BENNETT: Okay.

16 BY MR. CODINHA:

17 Q Do you recall there being more than one memo of
18 Mr. Lindsey's referring to the Whitewater Development
19 Corporation?

20 A I have no recollection of that.

21 Q Do you recall there being at least one memo?

22 A I don't recall that either. There may well have

1 been, but I don't recall it.

2 Q You indicated that one of your roles when you
3 came in as assistant to the president and deputy chief of
4 staff was to deal with the press on the issue of
5 Whitewater. Do you recall testifying to that earlier
6 today?

7 A Yes.

8 Q What preparation were you given when you came in
9 in January of 1994 to be able to do that?

10 A We had, during the first two or 2-1/2 weeks, I
11 ran a meeting that was held generally twice a day with a
12 group of people who were knowledgeable about Whitewater and
13 knowledgeable about -- also people who were dealing with
14 the press on it. And that's how I came to be informed
15 about Whitewater.

16 Q Did this meeting that took place two times a day,
17 when did those meetings occur, when during the day?

18 A Typically fairly early in the morning and
19 typically in the late afternoon.

20 Q How long did they last?

21 A It depended. Anywhere from half an hour to an
22 hour, maybe a little longer, depending on the kind and

1 nature and amount of press inquiry we were getting.

2 Q And these meetings, they began when you first
3 arrived and they lasted, I believe, you said for two weeks
4 or more?

5 A Two, 2-1/2 weeks with that regularity.

6 Q Following that, did the meetings continue --
7 following the 2-1/2 weeks, did the meetings continue but
8 with less regularity?

9 A With less regularity.

10 Q How often did they then occur?

11 A As I recall, two or three times a week, and even
12 tapering off to less than that.

13 Q Have they occurred through the present day?

14 MR. BENNETT: I'm going to object on scope and
15 pertinency.

16 MR. CODINHA: I'll withdraw the question.

17 BY MR. CODINHA:

18 Q Up until March 10, how often did the meetings
19 occur?

20 MR. BENNETT: We're talking about meetings, I
21 assume, given your introductory remarks, that are limited
22 to contacts with the Treasury. That's my assumption, given

1 your preliminary remarks. Is that correct?

2 MR. CODINHA: That is the scope and focus of this
3 investigation, Mr. Bennett.

4 (Witness conferred with counsel.)

5 THE WITNESS: The meetings that I've been talking
6 about didn't have anything to do with contacts between the
7 White House and the Treasury Department.

8 BY MR. CODINHA:

9 Q And how were you able to determine that they
10 didn't have anything to do with contacts between the White
11 House and the Treasury?

12 A As far as I knew, there were no contacts between
13 the White House and the Treasury during that period of
14 time.

15 Q Between what period of time? I'm sorry.

16 A January.

17 Q In January there were no contacts between the
18 White House and Treasury?

19 A Not that I knew of.

20 Q Why don't we talk about who was at the
21 meetings -- first, let's see if we can define the
22 meetings.

1 Did this group have a name?

2 A It had no -- no, it had no official name.

3 Q Did it have an unofficial name of the Whitewater
4 response team or Whitewater response group?

5 A I think that that would be fair that's how it was
6 referred to within the White House.

7 Q And who was in charge of that group?

8 A I was in charge.

9 Q Where did the meetings take place? I'm saying
10 where in the White House.

11 A No, I understand. During the first two, 2-1/2,
12 three weeks, they typically took place in what is known as
13 the ward room, which is the basement or the so-called
14 basement of the west wing.

15 Q Who participated in the meetings?

16 A It varied, but I guess, as I recall -- do you
17 want me to name specific names?

18 Q Please.

19 A George Stephanopoulos, Paul Begala, on occasion
20 James Carville, Michael Waldman, Bernie Nussbaum, Joel
21 Klein, Neil Eggleston, Maggie Williams, David Gergen, Mark
22 Gearan. On an irregular basis, Dee Dee Myers, myself.

1 That's pretty much the complement. That is the best of my
2 recollection.

3 Q Did Clifford Sloan attend those meetings?

4 A I think on occasion. I'm not sure he was a
5 regular participant but as I recall, he was at some of the
6 meetings.

7 Q Did Beth Nolan attend those meetings?

8 A Again, I think on an irregular basis.

9 Q Did Mr. Podesta attend those meetings?

10 A I don't recall him being there. He may well have
11 been, but I don't recall him and certainly not on a regular
12 basis.

13 Q Did Lisa Caputo attend those meetings?

14 A She attended some. I don't think on a regular
15 basis.

16 Q Now, Mr. Nussbaum was counsel to the president?

17 A Yes.

18 Q What was his role at the meeting?

19 A He was a participant.

20 Q And what was his -- who determined who came to
21 these meetings?

22 A I did.

1 Q Was this a by-invitation-only meeting or could
2 anyone come at any time?

3 A No. It was a by-invitation meeting.

4 Q How did you determine who should attend any given
5 meeting?

6 A It was basically the same group of people. I
7 thought consistency was useful. And as I said, the purpose
8 of these meetings was to deal with a very high number of
9 press inquiries that were coming in on a daily and weekly
10 basis about this matter, what we call, generically, inside
11 the White House, Whitewater. I'm not using that in the
12 sense you've defined it, but it's generic name inside the
13 White House and we were getting, as I say, a very large
14 number of press inquiries and the purpose of these meetings
15 was to deal with those.

16 Q With respect to Mr. Stephanopoulos, I think you
17 have said he was an advisor to the president, and I use the
18 term "senior advisor" and I think you agreed he would be
19 seen as a senior advisor?

20 A Yes. Again, that's not a specific title in the
21 White House, although I think George may carry that. But
22 as a generic term, he would certainly be considered a

1 senior advisor.

2 Q And Mr. Stephanopoulos was involved in the White
3 House communications department or I think at one point he
4 had been director of communications for the White House,
5 had he not?

6 A He had been. His job duties and title were
7 changed, but he still continues to be very involved with
8 the press.

9 Q You mentioned the name Begala?

10 A Paul Begala, who is an outside advisor, outside
11 consultant, as is James Carville.

12 Q And you mentioned, I think, a Mr. Whalen --

13 A Waldman. Michael Waldman is on the staff and in
14 the communications department at the White House.

15 Q What position does he hold?

16 A I think he is -- there's assistant, deputy
17 assistant -- I'm going down the hierarchy -- I think
18 Michael is special assistant to the president for
19 communications.

20 Q Mr. Nussbaum, we have already said, is counsel to
21 the president?

22 A Yes.

1 Q So he's the chief legal officer in the White
2 House?

3 A At that time he was.

4 Q In January or the time we're talking about?

5 A Yes.

6 Q And Joel Klein is in the counsel -- he's an
7 attorney in the counsel's office?

8 A He is.

9 Q And he is also a legal officer to the president?

10 A Well, he's in the counsel's office functioning as
11 a lawyer.

12 Q And Neil Eggleston was again, a lawyer in the
13 counsel's office?

14 A Yes.

15 Q And Maggie Williams, or Margaret Williams, was
16 chief of staff to the First Lady of the United States?

17 A Was and is.

18 Q I believe you mentioned Mr. Gergen. What role --

19 A David Gergen. David Gergen was, at that time
20 counselor to the president --

21 Q And --

22 A -- was his title.

1 Q What position did he play in the White House
2 administration?

3 A General senior advisor.

4 (Pause.)

5 Q I think when we stopped, I was asking about
6 Mr. Gergen and you had answered Mr. Gearan. Do you know
7 who Mr. Gearan?

8 A Mark Gearan is the director of communications for
9 the White House at that time and still is.

10 Q And Dee Dee Myers, did she hold a communications
11 position?

12 A She was in the communications department working
13 under Mr. Gearan and she is the press secretary, press
14 spokesman.

15 Q Cliff Sloan, he's a counsel in the White House
16 legal department?

17 A He is.

18 Q Beth Nolan is also counsel in the White House
19 legal department?

20 A Same.

21 Q And is she a specialist in ethics for the White
22 House?

1 A That's my understanding, that she is a specialist
2 in ethics.

3 Q Lisa Caputo, what role did she play?

4 A She's the press secretary for Mrs. Clinton.

5 Q And I believe you said you're not sure whether
6 Mr. Podesta attended these meetings?

7 A I don't recall his ever attending them. He may
8 well have.

9 Q Is there anyone else you can think of who
10 attended the Whitewater response team meetings?

11 A Not that I recall.

12 Q What role was Mr. Nussbaum, the chief legal
13 officer to the president, to play at these meetings?

14 A He played the same role everyone else did. He
15 was a participant in the meetings, and he had
16 information -- other people had information and as I said,
17 focus of these meetings was to deal with, as best we could,
18 voluminous press inquiries and make sure there was a
19 coordinated response, that there were not different
20 responses coming from different people based on different
21 information.

22 Q Was Mr. Lindsey a participant in those meetings?

1 A I'm sorry, you're right. He was.

2 Q Was he a regular participant in the meetings?

3 A He was.

4 Q He is also, I believe, a senior advisor to the
5 president or at least an advisor to the president who would
6 be considered a senior advisor to the president?

7 A He is.

8 Q Do you recall what is his portfolio at the White
9 House? What does he do?

10 A He basically is a senior advisor. He's somewhat
11 like Mr. Gergen. He advises the president on any number of
12 matters. He's been very close with the president over a
13 number of years and is a trusted confidant and advisor,
14 both political and otherwise.

15 Q With respect to Mr. Lindsey, did he have
16 particular knowledge with regard to Whitewater matters?

17 A In my view, he had considerable knowledge.

18 Q I'd like to go back for the moment to
19 Mr. Nussbaum. You said he had information that was --
20 strike that. You said he had some information.

21 What did Mr. Nussbaum bring to the table that you
22 needed in terms of being the head of the Whitewater

1 response team?

2 A Somebody who knew some aspects of Whitewater and
3 could give advice, especially in connection with answering
4 accurately and as quickly as possible questions of the
5 press.

6 Q Is Mr. Nussbaum's position a communications
7 position that he has to interface directly with the press?

8 A No, but we were being asked a lot of questions
9 about Whitewater and I put together a group of people who I
10 felt could contribute to responding to those questions as
11 quickly and as accurately as possible and as consistently
12 as possible.

13 Q When you arrived at the White House, did you know
14 that the issue of you dealing with the press on Whitewater
15 was going to be part of your portfolio?

16 A I did not.

17 Q When you arrived, who informed you of that
18 information?

19 A The chief of staff.

20 Q And that would have been Mack McLarty?

21 A Yes.

22 Q I'm sorry, Mr. McLarty.

1 A Mr. McLarty. It doesn't matter.

2 Q What did Mr. McLarty inform you were to be your
3 duties and responsibilities as particularized on
4 Whitewater?

5 A He said that there was a lot of -- many, many
6 questions coming in from the press that he felt that we
7 were not responding as quickly and as effectively as we
8 could and asked me to take charge of that and try to pull
9 together a system in which we could quickly and effectively
10 and accurately respond to the press.

11 Q Were you given a briefing book on Whitewater when
12 you arrived to at least let you know what this was all
13 about?

14 A No, not that I recall. I talked to a number of
15 people. I don't recall any specific people.

16 Q How did you decide who, at the White House, who
17 you should talk to about the subject of Whitewater?

18 A I basically asked several people who had been
19 involved and was knowledgeable. I knew that the counsel's
20 office had been involved. I knew Mr. Lindsey had a great
21 deal of knowledge about it. He had been reporting in the
22 press, as had Stephanopoulos, and there were a number of

1 people who were speaking to the press about it. So it was
2 my view that we should get all of those people in one room
3 on a consistent basis.

4 Q You say you "knew the counsel's office had been
5 involved." What was the source of your information that
6 the White House's counsel's office was involved?

7 MR. BENNETT: I've given you an awful lot of
8 leeway on this.

9 MR. CODINHA: We might disagree.

10 MR. BENNETT: Can't we get to the communications
11 between officials of the White House and Department of
12 Treasury? I don't think this should be a pretext of you
13 learning about all the internal processes of the White
14 House and I'd like you to limit it to the scope of what
15 your assignment is, with all due respect.

16 MR. CODINHA: Thank you.

17 BY MR. CODINHA:

18 Q With respect to your information that the
19 counsel's office at the White House had been involved, what
20 was the source of that information?

21 A Where are we?

22 MR. BENNETT: I'm going to object to that on

1 pertinency scope grounds.

2 BY MR. CODINHA:

3 Q What was the source of your information?

4 MR. BENNETT: I'm instructing him not to answer.

5 MR. CODINHA: Mr. Bennett --

6 MR. BENNETT: I'm instructing him not to answer.

7 MR. CODINHA: I heard what you said. I'm trying
8 to address your objection. I will tell you that this

9 committee has developed information at the present time
10 that there were contacts between the White House and
11 Treasury Department and RTC, and RTC, Treasury and the
12 White House which involved the counsel's office. That is
13 clearly within the scope of this. I want to know the
14 source of the -- I want to know the source of your client's
15 information that the counsel's office had been involved.
16 That's what I'm focused on. It's clearly within the scope.

17 MR. BENNETT: Are you finished?

18 MR. CODINHA: I believe I am.

19 MR. BENNETT: I have no objection to you asking
20 my client about conversations regarding contacts with the
21 Treasury, but I object generically to your using that as a
22 pretext to delve into processes of the White House which

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1 have nothing to do with the scope. If you want to ask him
2 what conversations he had with the counsel's office about
3 contacts, I have no objection nor could I have an objection
4 to that.

5 MR. CODINHA: This is a preliminary question,
6 Mr. Bennett.

7 BY MR. CODINHA:

8 Q I'm asking you now, Mr. Ickes, what was the basis
9 for your information that the counsel's office had been
10 involved?

11 A In what?

12 Q We have been talking about information with
13 respect to Whitewater. Now, what's the basis of your
14 information that the counsel's office had been involved?

15 A Newspaper accounts, among other things.

16 Q In what newspapers was it reported that the
17 counsel's office had been involved with Whitewater?

18 A I don't recall.

19 Q When you heard the counsel's office had been
20 involved, you wanted to -- strike that.

21 Now, taking on your role as assistant to the
22 president and deputy chief of staff, you were interested in

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1 doing a good job in that role. That would be accurate to
2 say, isn't it?

3 A Yes.

4 Q And in order to do that, you thought you had to
5 talk to some people because you didn't have a whole lot of
6 direct information about Whitewater; is that correct?

7 A Yes.

8 Q So did you go about talking to people to find out
9 what they knew?

10 A Yes.

11 Q Now I'm focusing on the counsel's office. With
12 respect to Mr. Nussbaum, did you have direct conversations
13 with Mr. Nussbaum about what he knew about Whitewater?

14 A Generally.

15 Q When did those discussions occur?

16 A Soon after I arrived at the White House.

17 Q Where did they occur?

18 A I don't recall.

19 Q Did you take notes about those discussions?

20 A I don't recall that I did. I may have. But I
21 don't recall that I did.

22 Q Did you have anyone who was assisting you in

1 coordinating the Whitewater response group?

2 A I was coordinating it.

3 Q Did you have a deputy or an assistant who was
4 helping you?

5 A No.

6 Q When you talked to Mr. Nussbaum, did he tell you
7 that he had spoken to the Treasury Department, or RTC
8 through the Treasury Department about Whitewater?

9 A During what period of time?

10 Q During the time when you first spoke to
11 Mr. Nussbaum about the information that he had about
12 Whitewater.

13 A I have no recollection of that. I don't think he
14 did.

15 Q What did he tell you about Whitewater?

16 A Just a general --

17 MR. BENNETT: About the contacts? I'm limiting
18 him to contacts with the Treasury Department under A, which
19 you very carefully described to us as being the scope in
20 the beginning. I'm not going to let him tell you what
21 anybody and everybody said about Whitewater in general.

22 MR. CODINHA: Is this on instructions from the

1 White House?

2 MR. BENNETT: It's on instructions from me as the
3 lawyer and it's based on the United States Senate
4 resolution. You have no authority to go beyond this
5 resolution.

6 MR. CODINHA: Is this also instructions from the
7 White House?

8 MR. BENNETT: This is not instructions from the
9 White House. This is my instructions to my client.

10 MR. CODINHA: And if I may ask, Mr. Bennett, have
11 you been asked by the White House to be cooperative in this
12 investigation?

13 MR. BENNETT: I've been asked to be cooperative
14 and we are being cooperative, but you are limited to your
15 resolution, and I'm not going to --

16 MR. CODINHA: We aren't in dispute about that.

17 MR. BENNETT: Let's get on with it and stick to
18 the resolution.

19 BY MR. CODINHA:

20 Q When Mr. Nussbaum -- Mr. Ickes, I'm sorry, I
21 don't want you to be focusing on something else. I'm
22 afraid you won't hear the question.

1 A I'm just looking around. I hear the question.

2 Q When you spoke to Mr. Nussbaum, did he give you
3 some information about the Whitewater investigation?

4 MR. BENNETT: Don't answer that unless it's
5 limited to the contacts.

6 MR. CODINHA: I think he can tell me if he gave
7 him some information because if he didn't give him --

8 MR. BENNETT: Why don't you ask if he gave him
9 any information about contacts with the Treasury or
10 anything covered by scope A.

11 MR. CODINHA: Mr. Bennett, respectfully, I have
12 great respect for your reputation which has preceded you
13 into the room, but let me also tell you that no one has a
14 conversation where they say and I learned this from this
15 person and I learned this from this person and I learned
16 this from this person. You know, you, of all people, know
17 how an investigation is conducted. We have deposed a lot
18 of people, including Mr. Nussbaum. We have determined in
19 some ways where Mr. Nussbaum got information.

20 Now, I'm asking your client about the information
21 he got from Mr. Nussbaum about particular matters which
22 relate to Whitewater. I'm not asking him about what he

1 learned from the President of the United States. I'm not
2 asking what he learned about from the first lady. I'm
3 asking him particular questions about Mr. Nussbaum who the
4 committee has developed evidence was at meetings with the
5 RTC/Treasury in September and October.

6 I think it's a legitimate area of inquiry. What
7 I don't want to happen is for us to get a scope objection
8 here where we have to delay it because you've already told
9 me that you want to complete this today, which is going to
10 cause us to delay these questions and your client is going
11 to have to be back here again. I'm telling you it's our
12 opinion -- it's certainly my opinion that this is a
13 legitimate area of inquiry.

14 Would you like to put something on the record.

15 MR. BENNETT: I appreciate your flattery and kind
16 remarks but my reputation has absolutely nothing to do with
17 this. What this has to do with is the resolution. Just so
18 the record is clear, I have absolutely no objection at all
19 for you asking my client what communications he had with
20 anybody regarding communications between officials of the
21 White House and the Department of the Treasury or the
22 Resolution Trust Corporation. And that's what I'm

1 instructing him to answer.

2 MR. CODINHA: I certainly recognize your
3 objections. It's on the record.

4 BY MR. CODINHA:

5 Q Mr. Ickes, back to my question. Did you have
6 conversations with Mr. Nussbaum in the early part of
7 January at which you discussed Whitewater with him? I
8 think you can answer that yes or no.

9 MR. BENNETT: You can answer that question. Show
10 you what a good guy I am. Go ahead.

11 THE WITNESS: Yes.

12 BY MR. CODINHA:

13 Q Now, when you had the conversations with
14 Mr. Nussbaum, was anyone else present?

15 A I don't recall. They might have been.

16 Q You were there. Mr. Nussbaum was there.

17 A And there may well have been others. I have no
18 recollection as to whether there were or were not.

19 MR. BENNETT: Keep your voice up. Amy is having
20 trouble hearing you.

21 THE WITNESS: I'm sorry.

22 BY MR. CODINHA:

1 Q Do you recall whether Mr. Nussbaum used any notes
2 to brief you?

3 A I don't recall any such notes.

4 Q Did Mr. Nussbaum give you any materials in order
5 to brief you about the subject?

6 A He may well have. I don't have any specific
7 recollection.

8 Q When you talked to Mr. Nussbaum in early January,
9 did he report to you that there had been a criminal
10 referral in 1992 relating to Madison which mentioned the
11 Clintons?

12 A He may have. I don't think he did, and I have no
13 recollection of it.

14 Q When you spoke to Mr. Nussbaum in early January
15 of 1994, did he mention to you that there were nine
16 referrals or that there were referrals from the RTC which
17 had been sent from Kansas City to Washington to Little
18 Rock?

19 A He may have. I don't think he did, but I have no
20 specific recollection of it.

21 Q Did Mr. Nussbaum mention to you, when he talked
22 to you in early January, about checks that were part of the

1 referral that had dealt with the Clinton campaign
2 committee?

3 A Would you repeat that.

4 Q When Mr. Nussbaum spoke to you in early January,
5 did he tell you about the referrals, referring to four
6 cashier's checks, two made payable to the Clinton campaign
7 committee and two made payable to Bill Clinton?

8 MR. BENNETT: Objection. What does this have to
9 do with the scope of this resolution?

10 MR. CODINHA: I would represent to you that --

11 MR. BENNETT: I'm instructing him not to answer.

12 MR. CODINHA: On what basis?

13 MR. BENNETT: Unless you can show me what the
14 scope and pertinency is.

15 MR. CODINHA: I don't know that I have to show
16 you that but I would tell you, Mr. Bennett, the committee
17 has developed evidence that that information was coming
18 from Treasury and RTC. And if that is the case and it is
19 being relayed to your client, then that is within the scope
20 of this case.

21 MR. BENNETT: I don't have any problem if you ask
22 him if he's aware of any knowledge or information that

1 Treasury forwarded to Mr. Ickes or anybody else. Then I
2 don't have any problem if you tie it to this, but I'm not
3 going to be letting him answering questions in a vacuum
4 when I don't know whether or not it's a communication or
5 not. If you know it's a communication, tie it to that and
6 I'm not going to object.

7 MR. CODINHA: Fine.

8 BY MR. CODINHA:

9 Q Did Mr. Nussbaum tell you about these checks?

10 A What checks?

11 Q The four checks, two made payable to the Clinton
12 for Governor campaign, two made payable to Bill Clinton, in
13 your earlier January meeting.

14 MR. BENNETT: Hold it.

15 (Witness conferred with counsel.)

16 MR. BENNETT: Go ahead and answer.

17 THE WITNESS: I don't know what checks you're
18 talking about.

19 BY MR. CODINHA:

20 Q You don't recall Mr. Nussbaum telling you about
21 that?

22 MR. BENNETT: He's answered the question.

1 MR. CODINHA: He says he doesn't recall what
2 checks I'm talking about.

3 BY MR. CODINHA:

4 Q I'm now asking you, do you recall Mr. Nussbaum
5 telling you anything that this case involved campaign
6 checks?

7 A Sir, there was a lot of discussion over a long
8 period of time about a lot of different aspects of
9 Madison/Whitewater. Some of that came from newspaper
10 accounts. Some of that came from many other people. A lot
11 of this information has merged, as I sit here today, were
12 there checks -- were there discussions about checks over
13 the two- or three- or four-month period, yes. When those
14 discussions occurred, with whom they occurred, where I
15 learned about them and what they had to do with, I couldn't
16 tell you today.

17 Q Do you recall Mr. Nussbaum telling you at the
18 early meeting, this early January meeting that he had
19 confirmed or had a confirmation from the RTC that criminal
20 referrals had been made from the RTC to the Justice
21 Department?

22 A I don't recall. He may have. I don't have any

1 specific recollection, and I don't think he did.

2 Q Do you recall Mr. Nussbaum telling you at this --

3 MR. BENNETT: Let me ask you. I'm assuming when
4 you predicate a question this way that there's a basis in
5 fact.

6 MR. CODINHA: That there's a basis, yes? Let me
7 take a step back.

8 MR. BENNETT: I'm assuming Nussbaum told you he
9 told Ickes, this because if that's not true, then I think
10 these are unfair questions.

11 MR. CODINHA: Whether they're fair or not, that's
12 exactly what -- that's exactly what I didn't want to say.
13 I will say that it is fair to assume that the underlying
14 information contained in the question about whether
15 something was contained, that there were four checks, that
16 they related to that, is correct. Don't assume that the
17 information was related to your client. It isn't
18 necessarily the case, and I want to represent that.

19 MR. BENNETT: So when you say did X tell you, did
20 Y tell you, we can't assume that that's a fact, that X told
21 him or Y told him?

22 MR. CODINHA: I don't know what X told him

1 because you won't let me ask generally what he was told.
2 If you let me ask that generally, then I could find out.
3 Now I have to ask specifically.

4 MR. BENNETT: If you say did Mr. Smith tell you
5 something, did Mr. Jones tell you something, is a lot
6 different from saying with the predicates that you're
7 putting on these questions. The assumption I've been
8 making all along is a witness has told you he told Ickes
9 something. But any way, I'm on the record on that point,
10 so ask your next question.

11 BY MR. CODINHA:

12 Q Let me ask you, was there -- strike that.
13 Do you recall having any discussion with
14 Mr. Nussbaum at this early January meeting as to the
15 status, be that subject, target or witness that the
16 Clintons held?

17 A That the Clintons held?

18 Q Yes, in respect to the referrals.

19 MR. BENNETT: What do you mean by "held"?

20 BY MR. CODINHA:

21 Q Let me take a step back for a minute. Are you
22 familiar with the terms "subject," "target" and "witness"

1 as they are used in the criminal area?

2 A I'm not a criminal lawyer.

3 Q Whether you're a criminal lawyer or not, are you
4 familiar with the terms?

5 A I've heard those terms. I couldn't define them.

6 Q Do you recall whether Mr. Nussbaum told you in
7 January what status the Clintons held in the RTC referrals
8 in which they had been allegedly named?

9 A I have no specific recollection. I don't think
10 he did, but he may have. I have no recollection, and I
11 don't think he did. As I think I've said before to you, I
12 don't think I knew about the criminal referrals or the
13 so-called criminal referrals until much later in the
14 process.

15 Q Do you recall whether Mr. Nussbaum informed you
16 that he was monitoring those criminal referrals to see
17 whether the Clintons' status changes?

18 A I have no recollection of that. We're talking
19 early January?

20 Q Early January.

21 A No recollection. I don't think it occurred, but
22 I have no recollection.

1 Q How long do you recall speaking to Mr. Nussbaum
2 about the subject of Whitewater, the length of time at this
3 early January meeting?

4 A 15 or 20 minutes.

5 Q Did he appear to be a knowledgeable person about
6 the subject to you?

7 A Compared to me, yes.

8 Q Would it be fair to say when you walked in and
9 received the information that you were going to head up the
10 Whitewater response group or team in January, you knew
11 nothing about it except what you read in the newspapers?

12 A Well, I think I've testified that Whitewater
13 generally -- I had run into Whitewater during the primary
14 or general election campaign in 1992 but only in passing.
15 I knew nothing about the details. I think all I knew was
16 it had something to do with the land transaction in
17 Arkansas. That's literally all I knew and the rest of my
18 information up until early January had come through reading
19 a couple newspaper accounts. I found it so convoluted and
20 confusing I didn't bother to read much about it.

21 Q When Mr. McLarty gave you this assignment as part
22 of your portfolio, did he -- I asked you whether he gave

1 you a briefing book. Did he give you any materials to
2 read?

3 A Not that I recall. I don't think so.

4 Q Did he instruct you as to who would be the most
5 knowledgeable people that you should talk to?

6 A Well, he suggested, as I recall, he suggested I
7 talk to Lindsey, that I talk to Nussbaum, that I talk to
8 Stephanopoulos, among others.

9 Q With respect to Mr. Klein, do you recall speaking
10 with Mr. Klein in early January?

11 A I recall speaking to him.

12 Q Again, I'm not interested -- I'm not interested
13 in whether you spoke to him about what the weather was
14 outside. I'm talking about Whitewater and the subject of
15 Senate Resolution 229.

16 A I have no specific recollection of any specific
17 conversations. I'm confident that I probably did and as
18 has been testified to earlier, he was a participant in
19 these early meetings.

20 Q What role was he to play, Mr. Klein?

21 A Again, someone who seemed to have some
22 information about Whitewater. It was my purpose to get

1 people who were knowledgeable about Whitewater in one room.

2 Q Were you able to determine what the source of
3 Mr. Klein's information about Whitewater was?

4 A The answer is it depended on the day and the
5 circumstance. I mean, it was -- each of these meetings,
6 the purpose was to develop information and coordinate
7 information to respond effectively and accurately and
8 quickly to the press. Some information came from outside
9 sources. Some came from newspaper accounts. Sometimes
10 newspaper accounts would raise questions that people would
11 then look up and find out about so we could have, in
12 effect, an accurate response to the press on the questions.

13 Q Mr. Neil Eggleston was a participant -- strike
14 that.

15 I think you listed Neil Eggleston as a
16 participant in these meetings.

17 A I did.

18 Q What role -- Mr. Eggleston was also in the
19 counsel's office. What role did he play?

20 A Same as Nussbaum and Klein.

21 Q And that was that they appeared to know something
22 about the issue and they were bringing information to the

1 table as it related to Whitewater?

2 A They were bringing in information and they also
3 helped research questions that our press people were
4 getting by way of press inquiries so we could give, again,
5 accurate, effective and quick responses.

6 Q When you say they were researching questions, did
7 you view it as part of their role, that they should reach
8 out to the agencies to get accurate information?

9 A I didn't have any specific role in mind. I just
10 asked them if people thought that they could find out
11 answers to questions and that they would bring those
12 answers back. I didn't have any particular sources that
13 they should look at or go to.

14 Q Was it your intent, if a question was raised
15 about the referrals that needed a factual answer, the
16 criminal referrals, that it would be either Mr. Nussbaum,
17 Mr. Klein, Mr. Eggleston or Mr. Sloan from the legal office
18 that would contact those agencies?

19 A As I said, I didn't instruct them to contact any
20 agencies, and I don't know if they contacted any agencies.

21 Q Did you tell them not to contact agencies?

22 A When you speak of "agencies," what agencies are

1 you referring to, the federal government?

2 Q Yes, federal government agencies.

3 A I didn't instruct them to. I didn't instruct
4 them not to, and I don't know whether they did or whether
5 they didn't.

6 Q Did they offer information at these Whitewater
7 response teams that was responsive to questions that were
8 being raised about what was happening at the Treasury
9 Department or the RTC with respect to the cases?

10 MR. BENNETT: You're not talking about legal
11 advice.

12 MR. CODINHA: Not legal advice.

13 THE WITNESS: Again, I don't recall Treasury/RTC
14 being involved in the early discussions. They may well
15 have been, but I don't recall any discussions about
16 Treasury and/or RTC.

17 BY MR. CODINHA:

18 Q Mr. Cliff Sloan, I think we've mentioned him as
19 an attendee at these meetings and he was also from the
20 counsel's office. What role was he to play at these
21 meetings?

22 A Same as Nussbaum, Klein, Eggleston.

1 Q And Ms. Beth Nolan, I think we mentioned her as
2 an attendee at these meetings?

3 A I don't think she was a regular attendee, but
4 again, same as the others.

5 Q With respect to Ms. Nolan, did you at some time
6 come to understand that she was an ethics expert in the
7 White House?

8 A I was told that.

9 Q Was that early on, or was that later in your
10 career there?

11 A I don't recall when.

12 Q Was she brought to the Whitewater response team
13 to be there in her role as an expert on ethics?

14 MR. BENNETT: I'm going to object on scope and
15 pertinency grounds.

16 BY MR. CODINHA:

17 Q What was your purpose in having her there?

18 A She was a person who, I was told, had some
19 knowledge about Whitewater.

20 Q That she had knowledge about the underlying facts
21 of Whitewater?

22 A She had knowledge about Whitewater.

1 Q Had you been told she was a person who had been
2 in contact with the Treasury Department and RTC relating to
3 Whitewater?

4 A In that early period?

5 Q Yes.

6 A I don't recall being told that.

7 Q Did you later find out she was a person who was
8 in contact with the Treasury or RTC with respect to aspects
9 of Whitewater?

10 A I think sometime later, I learned that she had
11 been in contact with Treasury.

12 Q And when was that time?

13 A To the best of my recollection, it was around, I
14 think, early February.

15 Q Are you familiar with an event that's referred to
16 as Renaissance Weekend or the Renaissance time or words to
17 that effect?

18 MR. BENNETT: Let me just ask you on some of this
19 stuff for some guidance. In preparing him for his
20 testimony, there's all sorts of things we've brought to his
21 attention, which he did not know in real terms.

22 MR. CODINHA: I'm just asking if he's familiar

1 with the term. I'm not going to spend a lot of time on it.

2 BY MR. CODINHA:

3 Q Are you familiar with Renaissance Weekend?

4 A I'm familiar with the term.

5 Q Did you know about the term before your attorney
6 prepared you for your deposition testimony?

7 A Yes.

8 Q Have you attended these Renaissance weekends?

9 A Never.

10 Q And with respect to the Renaissance Weekend that
11 occurred, the most recent one that occurred, I believe,
12 over the New Year's weekend or New Year's Eve, have you
13 become aware of the press accounts relating to a
14 conversation which occurred between the President of the
15 United States and Mr. Ludwig, the Comptroller of the
16 Currency?

17 A I've skimmed the press accounts. This has been a
18 very, very intense and busy period for me on health care,
19 so I have not focused a lot of attention but I was aware
20 there were newspaper articles or such recently, and I
21 remember skimming them quickly.

22 Q With respect to those press accounts, had you

1 been aware of that conversation before you read the press
2 accounts?

3 A Not to the best of my knowledge. I don't recall
4 ever hearing about it.

5 Q Do you recall there being any discussion of the
6 president talking with Mr. Ludwig at your Whitewater
7 response group?

8 A No. I have no recollection of that.

9 Q Do you recall whether Mr. Klein discussed that at
10 a Whitewater response group?

11 A I have absolutely no recollection of that.

12 Q Are you aware of whether Secretary Bentsen from
13 the Treasury Department was asked to attend a meeting with
14 Cabinet level officials at the Whitewater relating to
15 Whitewater in early January?

16 (Witness conferred with counsel.)

17 THE WITNESS: I had not heard it until my counsel
18 informed me of it yesterday.

19 BY MR. CODINHA:

20 Q Do you know who Christine Varney is?

21 A I do.

22 Q Is she the Cabinet secretary?

1 A She is.

2 Q And it's her job -- strike that.

3 In her role as Cabinet secretary, is it her job
4 to put together these meetings?

5 A What meetings?

6 Q Just meetings of Cabinet level officials that are
7 going to occur at the White House.

8 A Typically. There are meetings with Cabinet level
9 officials that she is not involved with. But typically,
10 she is the contact person between the White House and the
11 Cabinet as it relates to the organizational meetings.

12 Q With respect to Ms. Varney, have you had any
13 conversations with her with respect to a meeting where she
14 requested Secretary Bentsen not to appear because it was
15 going to discuss Whitewater?

16 A Is that the same meeting you referred to earlier
17 a few minutes ago?

18 Q It could be, but I'm not sure whether it's the
19 same meeting.

20 A The answer is no.

21 Q During the course of January of 1994, did you
22 become aware of a statute of limitations issue that was

1 being raised on the civil aspects of Madison?

2 A During what month?

3 Q January of 1994.

4 A Could have been. I mean, I recall definite
5 discussions about it in February, and there may well have
6 been some discussion about it in January.

7 Q Was this a subject matter that was being
8 discussed by the Whitewater response group?

9 A Not to my recollection.

10 Q Did the Whitewater response group become involved
11 in the civil aspects of Madison, or was it only dealing
12 with the criminal referral questions?

13 A No. The Whitewater response group was dealing --
14 attempting to deal with, let me put it that way -- with any
15 and all questions that were being made or inquiries being
16 made by the press which was a very intensive period over
17 that period of time. That was its primary purpose and
18 that's what we were focused on. There was no
19 differentiation between criminal and civil. It was just
20 questions relating to what is generically known in the
21 White House, not by your definition, as Whitewater.

22 MR. BENNETT: I'm going to somewhat belatedly

1 object to the form of the question because it assumes that
2 the White House response group was, in fact, talking about
3 criminal referrals, and I don't think that's what his
4 testimony has been.

5 MR. CODINHA: I can put that question to the
6 witness and perhaps you can answer.

7 BY MR. CODINHA:

8 Q As I understand your answer, the Whitewater
9 response group was responding to all Whitewater inquiries,
10 whether they were civil or criminal?

11 A Yes, and to my recollection, I don't recall
12 during those early weeks in January focus on or questions
13 about the criminal referrals. There could have been, but
14 as I sit here today, I don't recall any specific questions
15 about that. I'd have to go back and look at the press
16 record basically to find out if there were.

17 Q Did anyone keep notes or records of the
18 Whitewater response group meetings -- first, let me ask,
19 were official records of the Whitewater response group
20 meetings kept?

21 A No.

22 Q Was someone required to take notes?

1 A No.

2 Q Did individuals take notes at those meetings, if
3 you noticed?

4 A Some individuals did.

5 Q Did you take notes?

6 (Witness conferred with counsel.)

7 A I kept notes.

8 Q Would it be correct to say that if they pertain
9 to the scope of Senate Resolution 229, that they have been
10 delivered to the committee?

11 A Yes.

12 Q And you have reviewed your notes yourself or
13 along with your attorney?

14 A I have.

15 MR. BENNETT: I just want you to clearly
16 understand that it was the White House counsel's office
17 that had the responsibility of making the productions to
18 Congress. I have every reason to believe that everything
19 has been turned over, but I just want you to know that they
20 took upon themselves the responsibility, and apparently
21 Congress wanted them to do it rather than counsel for the
22 individuals.

1 BY MR. CODINHA:

2 Q I can't now recall. Did you receive a direct
3 letter from Chairman Riegle and minority -- and the ranking
4 member to look through your records to determine whether
5 you had responsive items? It would have been June 2.

6 A I recall receiving -- I recall receiving a
7 photocopy, and I think the letter was addressed to me, but
8 I think it was a photocopy. I don't think it had an
9 original signature on it, and I subsequently contacted
10 Mr. Bennett and sent that photocopy over to him. I think
11 that Mr. Bennett had told me he had already received a copy
12 of it. That's my best recollection.

13 Q But you understood that you had a personal
14 responsibility to make sure we received all the
15 information?

16 A Right. I relied on my counsel.

17 MR. BENNETT: We produced documents to the White
18 House. I can't be sure, as we sit here, whether they gave
19 you all the documents that we gave them. They may very
20 well have made some redactions. For what it's worth, I am
21 not aware of any documents that you're referring to, but --
22 it's just a technical point, that the White House took upon

1 itself the responsibility of making productions.

2 We produced documents to White House counsel's
3 office, and they were going to decide what they produced to
4 you. I will tell you that I think what we gave to the
5 White House were all the documents we gave to Mr. Fiske. I
6 think it was the same universe of documents, wasn't it?
7 Yes.

8 BY MR. CODINHA:

9 Q Mr. Ickes, with respect to the matter of the
10 statute of limitations that was to apply to Madison, did
11 you become aware in January, sometime in January, perhaps
12 after the middle of January that the issue of the statute
13 of limitations application to Madison was a matter of
14 congressional interest?

15 A I don't recall specifically whether it was the
16 end of January or early February, but it was around that
17 time.

18 Q Do you recall becoming aware that sometime in
19 January Senator D'Amato had taken the floor of the Senate
20 and had a countdown calendar where he was counting down the
21 days that were left until the statute of limitations had
22 run?

1 A I recall that. I don't recall -- again, I don't
2 recall whether it was during late January or early
3 February, but it was around that time.

4 Q Do you recall how you became aware of this, that
5 the statute of limitations was an issue?

6 A I don't.

7 Q Do you recall receiving a copy of a letter that
8 had been sent from Senator D'Amato to Mr. Altman with
9 respect to this?

10 A I don't recall. I mean, if you show me the
11 letter, it might refresh my recollection but as I sit here
12 today, I don't recall.

13 Q I'd like to show you X1264 and 1265.

14 (Witness reviewed document.)

15 Having shown you that letter, which is -- I've
16 already given the number to the stenographer -- does that
17 help you to recall when you might have become aware of the
18 statute of limitations issue?

19 A It may well have been around this time. I don't
20 recall specifically receiving a copy of this letter. I
21 probably did, but as I said, it was probably late January
22 or early February.

1 Q And I would tell you, Mr. Altman, that this
2 letter has been supplied by the White House --

3 MR. BENNETT: This is Mr. Ickes.

4 BY MR. CODINHA:

5 Q I'm sorry, Mr. Ickes. I was reading the
6 address. I apologize.

7 Mr. Ickes, we have received this from the White
8 House and we have been informed that it came from your
9 files at the White House. Is that useful in knowing
10 whether you received a copy of the letter?

11 A It is. I don't know when I received it but it is
12 useful in knowing whether I received it.

13 Q If you received a copy of this letter, would you
14 have read it?

15 A I probably would have read it, yes.

16 Q Do you recall that the subject matter of this
17 letter became a matter that was discussed by the Whitewater
18 response group?

19 A I don't recall it specifically, no. And I point
20 out to you, as I testified earlier, that the Whitewater
21 response team on that date would have been meeting on a
22 much less frequent basis than during the first two weeks or

1 10 days of January.

2 Q I think by this time -- "this time" being January
3 25 or shortly thereafter -- you indicated the group was
4 being two or three times a week rather than twice a day.
5 Would that be accurate?

6 A Again, I don't want to pin it to a specific
7 number, but it was certainly no more than several times a
8 week, two or three is probably an accurate
9 characterization.

10 MR. BENNETT: Harold, you've got to keep your
11 voice up.

12 THE WITNESS: I'm sorry.

13 MR. BENNETT: This lady's got to hear it.

14 BY MR. CODINHA:

15 Q When you read this letter, did you consider the
16 information contained in it was important information for
17 you to know as you were working on your job dealing with
18 the press on Whitewater?

19 A If it was a matter of press inquiry, certainly.

20 Q But did you think that when you read this letter,
21 this was something that you cared about?

22 A I thought it was something I should know about.

1 Q How did you attempt to know something about it,
2 if you did?

3 A I probably asked others in the White House. I
4 may have asked counsel's office. I may have asked other
5 people in the White House.

6 MR. BENNETT: Just so the record is clear, you
7 said when you read it, and I don't think he testified that
8 he read it.

9 MR. CODINHA: I believe what he said -- and the
10 record will state this -- I believe he said since it was in
11 his files, he believed he had read it.

12 THE WITNESS: That's accurate but as I testified
13 before, I don't recall when I received it.

14 BY MR. CODINHA:

15 Q I understand that. Is there any reason to
16 believe that you wouldn't have received it on or about the
17 time that is recorded on the letter or on the fax times
18 that are recorded at the top of the letter?

19 A I have no belief as to when I received it.

20 Q Would there be any -- does this letter contain
21 the sort of information that it would be important for you
22 to know to be able to do your job correctly as the

1 coordinator of information dealing with the press on
2 Whitewater?

3 A Certainly if there were press inquiries about it,
4 it would be important.

5 Q Does the fact that Senator D'Amato is sending
6 this letter to Mr. Altman suggest to you that there would
7 be press inquiries about it?

8 A Probably. Not necessarily so, but probably.

9 Q What information do you recall -- strike that.
10 Do you recall whether you asked White House
11 counsel's office about information so you can respond to
12 what was contained in this matter?

13 A I don't recall specifically whether it was White
14 House.

15 Q Do you recall asking anyone for information so
16 you could respond to what was contained in that letter?

17 A As I sit here today, no.

18 Q Does it make sense to you that when you became
19 aware of that letter, you would have asked someone for
20 information?

21 A It makes sense.

22 Q Who would be the people or persons to whom you

1 would turn to get information about that?

2 A I don't have any specific recollection of who I
3 would have. There were a number of people who may have
4 known about it.

5 Q Do you believe you would have turned to
6 Mr. Nussbaum?

7 A I may have. I don't recall.

8 Q Do you believe you would have turned to
9 Mr. Eggleston?

10 A Again, I may have. I don't recall.

11 Q Do you believe you would have turned to
12 Mr. Sloan?

13 A Same answer.

14 Q Do you believe you would have turned to
15 Mr. Lindsey?

16 A Same answer.

17 Q Do you believe you would have turned to
18 Mr. Altman to find information?

19 A Possibly. I don't recall talking to him about it
20 in connection with this letter.

21 Can I just have a minute?

22 (Witness conferred with counsel.)

1 BY MR. CODINHA:

2 Q Do you recall learning -- strike that.

3 Do you recall discussing the matter of the
4 statute of limitations as it applied to Madison with
5 Ms. Williams?

6 A What time period?

7 Q In late January of 1994 -- late January or early
8 February of 1994.

9 A Yes.

10 Q When do you recall having that discussion with
11 Ms. Williams?

12 A Well, I recall Ms. Williams being in a meeting in
13 which the statute of limitations was -- in which a statute
14 of limitations that involved Resolution Trust Corporation
15 was discussed and that meeting, as I recall, occurred on
16 the 2nd of February 1994. I may have had a discussion with
17 them prior to that but I don't have a specific recollection
18 of that.

19 Q With respect to the February 2nd meeting, when
20 did you first become aware of a meeting that was to occur
21 on February 2nd?

22 A My recollection is that a day or so -- it may

1 have been the day preceding, or it may have been a day or
2 so preceding, I have no specific recollection but shortly
3 before February 2nd -- my recollection is that Mr. Altman
4 called me in my office and said that he wanted to have a
5 meeting with Mr. McLarty and with me and that he wanted to
6 bring his -- when I say "his," the Treasury's general
7 counsel to that meeting.

8 Q Prior to the telephone call that you received a
9 day or two before the February 2nd meeting, did you know
10 who Mr. Altman was?

11 A I did.

12 Q How had you known Mr. Altman?

13 A I'd known him casually over a number of years.

14 Q Did you know him in New York?

15 A I did.

16 Q When you came to Washington, did you know him in
17 your official role as he held the official role in
18 Washington?

19 A Yes.

20 Q Did you have any interaction with Mr. Altman in
21 the month of January 1994 in your professional capacity?

22 A Yes.

1 Q And did that relate to Whitewater?

2 A Not that I recall.

3 Q How many times did you interact with Mr. Altman
4 in January in your professional capacity?

5 A It was several times a week. As the coordinator
6 of the president's health care initiative, I had -- and I
7 don't recall when -- but as I recall, it was sometime early
8 on in January, I had established several meetings that
9 occurred on a regular basis and one of them was a 6:00
10 meeting that was supposed to occur every day of the week;
11 that is, Monday through Friday. Unless it was canceled by
12 me in advance, everybody had their calendars marked about
13 it so they wouldn't have to be notified. Mr. Altman was a
14 member of that very small group and he attended it on a
15 regular basis so I saw Mr. Altman in that connection as
16 well as others, but primarily that was the primary
17 connection.

18 Q Prior to a day or two before February 2nd when
19 you received this call from Mr. Altman, had you had any
20 discussions with Mr. Altman on the subject of Whitewater?

21 A I don't recall. I probably did. He was in the
22 White House a great deal, both with respect to the meetings

1 that I have discussed as well as other business that he was
2 dealing with in the White House. I probably did. I
3 couldn't place a time or date or location on any of this.

4 Q When you say you "probably" did, when do you
5 recall the first time you would have talked to Mr. Altman
6 at the White House about the subject of either Whitewater
7 or Madison in January?

8 A I have no recollection. There were a lot of
9 conversations going on about Madison/Whitewater --

10 MR. BENNETT: Keep your voice up.

11 THE WITNESS: There were a lot of conversations
12 going on in the White House during that period of time,
13 primarily because of the intense press scrutiny, so I have
14 no recollection of whether I did. As I said, I probably
15 did, but I couldn't give you a time or a date.

16 BY MR. CODINHA:

17 Q Was Mr. Altman a member of the Whitewater
18 response group in the White House?

19 A He was not.

20 Q Was he invited to participate in that group?

21 A He was not.

22 Q Did you understand him to be a knowledgeable

1 person about Whitewater or Madison?

2 A At that period of time, I don't think I had any
3 knowledge about what he knew or what he didn't know.

4 Q How did it come about that you had discussions in
5 January with Mr. Altman about the subject of Whitewater or
6 Madison, if you didn't know he was a knowledgeable person?

7 A Corridor discussion, what's going on, what do you
8 think, how do you think it's playing.

9 Q Do you recall those type of conversations
10 occurring when you would say to Mr. Altman what's going on,
11 what response did he make?

12 A What's going on in terms of, how do you think
13 it's playing.

14 Q And what was Mr. Altman's response?

15 A I don't recall his specific responses.

16 Q Did he indicate to you that it was playing just
17 fine?

18 A I don't recall his specific responses.

19 Q Do you recall a general response that he was
20 satisfied with the way it was playing?

21 A I don't think anybody was satisfied with the way
22 it was playing.

1 Q Did Mr. Altman indicate to you that any -- strike
2 that.

3 Did Mr. Altman follow up with you by saying well,
4 what do you mean how's it playing?

5 A As I say, first of all, I don't recall any
6 specific conversations. I probably did, and if they were
7 the casual what's going on, how is it playing type, nobody
8 was happy with how it was playing.

9 Q Do you recall ever discussing with Mr. Altman --
10 strike that.

11 During this time period, you were having daily
12 meetings on health care; is that right? When I say "this
13 time period," during the month of January 1994?

14 A During the month of January, the 6:00 Monday
15 through Friday meetings began. I informed the participants
16 that they should block their calendars for every day of the
17 week and that my office would notify them if I was not
18 going to hold such a meeting, but they occurred on a
19 regular basis, typically three to four times a week.

20 Q And do you recall discussing with Mr. Altman at
21 the White House in either corridor meetings or these
22 meetings the statute of the limitations as it applied to

1 Madison?

2 A I don't recall -- I don't think I did. I have no
3 specific recollection that I did.

4 Q Did it strike you that he would be a person who
5 would be particularly well-informed about that subject?

6 A Yes, assuming that I knew about that subject, and
7 I'm not sure when I came to know about that subject.

8 Q As soon as you came to know about the subject,
9 Mr. Altman struck you as a person who would be particularly
10 well-informed, didn't he?

11 MR. BENNETT: I don't understand the question.
12 I'm sorry.

13 BY MR. CODINHA:

14 Q Do you understand the question, Mr. Witness?

15 A Not really.

16 Q You understood Mr. Altman held a particular
17 position with the RTC, did you not?

18 A At what time period?

19 Q In January.

20 A I did not.

21 Q At some point, did you come to know Mr. Altman
22 held a particular position with the RTC?

1 A Yes.

2 Q When was that?

3 A My best recollection, it was in connection during
4 the meeting we've talked about before on the 2nd of
5 February.

6 Q Was that the first time you were aware that
7 Mr. Altman held a unique position in the RTC?

8 A To the best of my recollection it was, yes.

9 Q And what position did you come to understand, in
10 that February 2nd meeting, that Mr. Altman held?

11 A It was my understanding, based on his
12 description, that he was, for lack of a better word, the
13 temporary president of RTC and that that position had to be
14 filled but by virtue of a statute of the RTC statute, it
15 was my understanding that he was either the president or
16 the chairman -- I forget which -- and I also learned or was
17 told that there was an oversight board, an RTC oversight
18 board of which Secretary Bentsen was chairman, at least
19 that's what I was led to believe.

20 Q And you were informed of that at the February 2nd
21 meeting?

22 A To the best of my recollection, it was the first

1 time I knew about that -- his role, his specific role and
2 position with respect to RTC.

3 Q And it was at that meeting that you also learned
4 of the role Secretary Bentsen was playing on the oversight
5 board?

6 A That's the best of my recollection.

7 Q Now, turning your attention to the telephone call
8 that you received from Mr. Altman a day or two before the
9 February 2nd meeting, do you know the reason Mr. Altman
10 called you?

11 A I do not. Let me back up. His stated reason was
12 he wanted to have a meeting with me and Mr. McLarty to
13 which he was bringing the Treasury's general counsel. And
14 he told me that I should bring whoever else I thought ought
15 to come. He did not -- to the best of my recollection, he
16 did not tell me what he wanted to discuss.

17 Q My question to you earlier was if you know, how
18 did he come to call you about the subject of this meeting?

19 A You'll have to ask Mr. Altman. I don't know.

20 Q Have you ever told Mr. Altman that you were the
21 White House person who was dealing with Whitewater issues?

22 A That was a matter of general knowledge in the

1 press as well as otherwise.

2 Q And my question again to you is, had you ever
3 told Mr. Altman that you were the person that was dealing
4 for the White House, coordinating the Whitewater response
5 group?

6 A I may well have. I don't recall a specific
7 discussion with him. I may well have done so.

8 Q Was your purpose in informing Mr. Altman so he
9 would know if any matters came up relating to Whitewater,
10 they should go through you?

11 MR. BENNETT: If he did that.

12 BY MR. CODINHA:

13 Q If you did that.

14 A If I did that, I don't recall that as being a
15 purpose. It was a matter of general knowledge in the press
16 that I was doing that.

17 Q Did you routinely tell people that you were
18 talking to, that that was one of the matters that you were
19 responsible for?

20 A No. The people asked me what I was responsible
21 for and members of the press did on regular occasions. I
22 would respond in the affirmative to that. And as I say, it

1 was general knowledge fairly early on that that was one of
2 my responsibilities and was discussed fairly widely in the
3 press.

4 Q Now, in this call that came a day or two before
5 the February 2nd meeting, how long did that call last?

6 A I would say less than a minute.

7 Q When Mr. Altman said he wanted to have a meeting,
8 did he tell you what the subject matter of the meeting was?

9 A He did not. To the best of my recollection, he
10 did not.

11 Q When he told you to -- did he ask you if
12 Mr. McLarty could attend?

13 A He told me he wanted a meeting with me and
14 Mr. McLarty.

15 Q And he told you that the general counsel from the
16 Treasury was going to attend?

17 A That's my best recollection.

18 Q And he told you to bring over whoever else you
19 thought ought to come; is that right?

20 A That's my recollection of the conversation, yes.

21 Q Who did you tell should come to this meeting?

22 A I'm not sure about your question. Are you asking

1 me who did I ask to come to the meeting?

2 Q Yes, who did you ask to come to the meeting? If
3 I was inartful, I apologize.

4 A No, I didn't think you were being inartful. I'm
5 trying to get the question.

6 Q Who did you ask?

7 A Mr. McLarty, and when I was on the phone with
8 Mr. McLarty, I told him since Mr. Altman was bringing the
9 general counsel to the Treasury, I thought it was to have
10 the general counsel of the White House attend and
11 Mr. McLarty agreed and he asked me to call Mr. Nussbaum. I
12 don't know whether I called Mr. Nussbaum or whether my
13 assistant called Mr. Nussbaum, but as I recall, I undertook
14 to call him and notify him of the meeting and asked him to
15 be there.

16 Q And who else did you suggest attend?

17 A To the best of my recollection, those were the
18 only people -- he was the only other people I suggested
19 attend.

20 Q And at a later point, did you suggest that other
21 people attend?

22 A Not to my recollection. I'm not saying I didn't,

1 but as I sit here today, I don't recall that I suggested
2 others attend.

3 Q Where was the meeting to occur?

4 A I asked McLarty where he wanted it, and he
5 suggested his office.

6 Q Mr. McLarty at that point was the chief of staff
7 of the White House?

8 A He was.

9 Q And you were the deputy chief of staff?

10 A I was a deputy.

11 Q I'm sorry. You did say there was another one.
12 And the counsel to the president, Mr. Nussbaum, was being
13 asked to attend?

14 A He was.

15 Q Did Mr. McLarty ask you what this was all about?

16 A He may have. I don't recall whether he did or
17 whether he didn't. I mean, Mr. Altman is a very
18 high-ranking member of the federal administration and was
19 in fairly regular contact with the White House. Mack
20 probably did. I don't recall that he did.

21 Q When you spoke to Mr. Altman a day or two before
22 the meeting, the February 2nd meeting, did you ask him what

1 the meeting was going to be about?

2 A I don't recall that I did. He said he wanted a
3 meeting. I knew who he was. He was a person who was well
4 regarded in the White House, and it was something that I
5 would accede to. I don't think that I asked the nature of
6 what he wanted to discuss.

7 Q Would it be unusual for you to schedule such a
8 meeting without asking the subject matter of the meeting?

9 A Not necessarily unusual, but when someone like
10 Roger Altman, who is a valued advisor as well as a
11 high-ranking official in the Treasury, asks for a meeting,
12 I take it seriously. Mr. McLarty, I think, took it
13 seriously. He didn't indicate it would be a prolonged
14 meeting and we just set it up.

15 Q Did you believe you were going to have to do any
16 preparation before the meeting occurred?

17 A I didn't believe I did and I didn't.

18 Q Before you called Mr. Nussbaum to come to the
19 meeting, you or a member of your staff asked Mr. Nussbaum
20 to attend the meeting, did you try to advise Mr. Nussbaum
21 what the subject matter of the meeting was so he could
22 prepare?

1 A Since I didn't know, I couldn't do the latter.

2 Q Did you consider calling Mr. Altman back before
3 the meeting to determine what the subject matter was going
4 to be so that you or people you were inviting could
5 prepare?

6 A I didn't.

7 Q When did the --

8 MR. BENNETT: You say the people he was
9 inviting. He said he invited Mr. Nussbaum.

10 MR. CODINHA: And McLarty.

11 MR. BENNETT: And McLarty.

12 BY MR. CODINHA:

13 Q And when did the meeting occur?

14 A It occurred -- the date or the time?

15 Q You've already told me it took place on February
16 2nd.

17 A That's the best of my recollection. I think it
18 occurred on the 2nd. My recollection is it occurred in the
19 late afternoon.

20 Q Did you believe that the subject matter of this
21 meeting was going to be some Treasury business that was
22 going to occur?

1 A I don't recall that I had a belief.

2 Q Did you wonder about why Mr. Altman told you he
3 was going to bring the general counsel to the Treasury
4 along with him?

5 A I don't recall. There's a lot of business that
6 goes on. I am typically very pressed for time during the
7 day, and I don't recall having any questions about it. He
8 told me he wanted to bring his general counsel. That's
9 fine with me.

10 Q When he told you he was going to bring his
11 general counsel along, did that make you believe it was
12 going to be some kind of business that was being discussed?

13 A When you refer to -- when you use the term
14 "business," I'm not sure what you mean.

15 Q You said that Mr. Altman was a regular visitor at
16 the White House, that he was certainly there on health care
17 matters. I believe you said he was there on Treasury
18 business --

19 A I don't know that as a fact. I assume he was
20 there on Treasury matters.

21 Q When he came to the White House on health care
22 matters, did he bring his lawyer along?

1 A He did not.

2 Q Did he come -- on other matters when you had seen
3 him at the White House, did you see his lawyer along?

4 A I had no idea who he brought. I saw Roger in the
5 hallways on numerous occasions. I don't know who he
6 brought with him nor did I inquire.

7 Q Did it cause any curiosity in you when he said he
8 was going to bring his general counsel along?

9 A No. As I say, it's typically, mine as well as
10 others, a very busy day. He asked for a meeting. I knew
11 who he was. I knew that he had confidence in the White
12 House and it was a meeting I took to set up pro forma.

13 MR. BENNETT: Are you tired? Do you want to
14 break?

15 THE WITNESS: No, I'm fine.

16 BY MR. CODINHA:

17 Q When you said you talked to Mr. McLarty and you
18 informed him -- when you informed Mr. McLarty that
19 Mr. Altman was bringing Treasury's lawyer along, it was you
20 who suggested that you have the White House's lawyer
21 present; right?

22 MR. BENNETT: Mr. Codinha, he has testified to

1 this four times.

2 MR. CODINHA: Actually, I don't think it's four
3 times.

4 MR. BENNETT: Four or five times. Can't we move
5 that along.

6 BY MR. CODINHA:

7 Q With respect to the reason you thought that the
8 White House's lawyer should be there, what was in your mind
9 as to why the White House's lawyer should be there?

10 A Because the Treasury's lawyer was going to be
11 there.

12 Q Did you believe that business was going to be
13 discussed that would require the White House's lawyer to be
14 there?

15 A I didn't have the foggiest idea of what business
16 was going to be discussed but it struck me if he was
17 bringing his lawyer, we should have our lawyer.

18 Q Did you go to the meeting on February 2nd?

19 A I did.

20 Q And was it scheduled in your schedule that you
21 would go to the meeting?

22 A As I recall, it was.

1 Q When you arrived at the meeting, do you recall
2 where it occurred?

3 A It occurred in Mr. McLarty's office around his
4 conference table.

5 Q Do you recall who was there when you arrived?

6 A I don't recall whether I arrived before anyone
7 else. I recall that I went into Mr. McLarty's office, that
8 Mr. McLarty was there and I may well have met Mr. Altman
9 and the Treasury's counsel, who I came to learn was
10 Ms. Hanson, on the way in.

11 Typically, when people come in from the outside
12 without a permanent White House pass, which Mr. Altman does
13 not, I think, have, they are -- they wait in the reception
14 room until they are escorted in. But as I went into his
15 office, I recall, I think, going in with Mr. Altman and
16 Ms. Hanson, or who I came to learn was Ms. Hanson. I don't
17 know whether Mr. Nussbaum was in the office when I walked
18 in or not.

19 Q Do you recall that being the first time you ever
20 met Ms. Hanson?

21 A Yes, to the best of my recollection, I had never
22 met her nor did I know who she was.

1 Q Was she introduced to you at that time?

2 A She was.

3 Q Who else attended the meeting?

4 A The best of my recollection, although McLarty was
5 in the meeting, he didn't attend it. It was myself,
6 Altman, Hanson, Nussbaum; Neil Eggleston, as I recall, was
7 there. It's my recollection that Ms. Williams attended,
8 but I think she came in after the meeting was underway.
9 There may have been others. I don't recall anybody else at
10 the meeting.

11 Q You expected Mr. Altman to be there. That's
12 correct?

13 A Yes.

14 Q You expected his general counsel, who it turned
15 out was Ms. Hanson, to be there?

16 A Yes.

17 Q You expected Mr. Nussbaum to be there?

18 A I did.

19 Q Did you expect that Mr. Eggleston was going to be
20 there?

21 A I had no expectation of him.

22 Q Ms. Williams is not an attorney, is she?

1 A Not to my knowledge.

2 Q Do you have any idea, as we sit here today, why
3 Ms. Williams was at the meeting?

4 A Well, as the meeting unfolded, yes.

5 Q And what was her reason for being at the meeting?

6 A Well, you'll have to ask her.

7 Q I just asked you if you knew, and I'm now asking
8 you what is your understanding of the reason Ms. Williams
9 was at the meeting?

10 A It was a matter dealing -- as it turned out, it
11 was a matter that Mr. Altman wanted to discuss, and did
12 discuss, what I understood to be an inquiry being conducted
13 by the RTC general counsel as to whether there was a basis
14 for a civil claim against persons or parties involved in
15 Whitewater/Madison. And since that was a matter -- not
16 necessarily that civil claim but since Whitewater/Madison
17 was an issue of considerable -- still at that time a
18 considerable press inquiry, it didn't surprise me that
19 Ms. Williams was there.

20 Q Before you walked in to the meeting, you did not
21 know what the subject matter of the meeting was going to
22 be?

1 A Not to my recollection.

2 Q Did anyone else, to your knowledge, know what the
3 subject matter of the meeting was going to be before the
4 meeting began?

5 A Not that I knew of.

6 MR. BENNETT: Other than Altman.

7 MR. CODINHA: Other than Altman and perhaps
8 Hanson. And when I say "anyone," I'm talking about anyone
9 from the White House.

10 MR. BENNETT: I just want the record to be clear.

11 THE WITNESS: That's how I took your question.

12 BY MR. CODINHA:

13 Q Do you know who had alerted Ms. Williams that
14 Mr. Altman was going to be at the White House?

15 A I do not know.

16 Q Do you know how Ms. Williams came to be at the
17 meeting?

18 A I don't know.

19 Q This was a by-invitation-meeting only, wasn't it?

20 A Yes.

21 Q And do you know who invited Ms. Williams to
22 attend that meeting?

1 A I don't recall.

2 Q Was anyone assigned the task of taking notes at
3 the meeting?

4 A No.

5 Q Did anyone take notes at the meeting?

6 A As I recall, people did take notes.

7 Q Who do you recall taking notes?

8 A I did. I think Eggleston may have and I recall
9 Hanson taking notes. I don't know whether others did or
10 not.

11 Q As best you can now recall, what occurred at the
12 meeting? Who said what to whom?

13 A Well, I don't recall who said what to whom. I
14 can convey to you the gist of the meeting, and the gist of
15 the meeting, as best I can recall, was Mr. Altman discussed
16 the issue of the -- what I understood to be an inquiry
17 being conducted by the general counsel of RTC as to whether
18 or not there was the basis for a civil claim against any
19 persons or parties in connection with Madison/Whitewater.

20 And it was my understanding, based on his
21 description, that there was a statute of limitations with
22 respect to any such claims, and that that statute of

1 limitations was about to expire. And he raised that issue
2 and there were a number of questions about it.

3 I, for one, had little knowledge, if any
4 knowledge, about the situation. I, among others, asked him
5 a number of questions about the details of the statute of
6 limitations and to some extent, the progress of the inquiry
7 being conducted by the RTC. That was the bulk of the
8 meeting.

9 Towards the very latter part of the meeting, he
10 raised the issue that he said he was considering whether or
11 not to recuse himself in connection with that matter. It
12 was during that meeting that I, to the best of my
13 recollection, learned of Mr. Altman's position with respect
14 to the RTC.

15 Q Have you completed your answer?

16 A Yes.

17 MR. BENNETT: He has turned over his notes to the
18 meeting so that may help refresh his recollection if you
19 think there's anything more.

20 BY MR. CODINHA:

21 Q With respect to Mr. Altman's statement, did
22 Mr. Altman begin talking at the meeting? Was he the one

1 who began the meeting?

2 A Yes, he was the one who asked for the meeting. I
3 was in the dark as to what he wanted to discuss and he
4 basically opened up the meeting.

5 Q And did he say I want to discuss the procedures
6 that the RTC is -- words to the effect that I want to
7 discuss the procedures the RTC is going to follow as they
8 apply to the statute of limitations?

9 A I don't recall exactly what he said. He did --
10 the gist of what he said is that he wanted to discuss the
11 inquiry being conducted by the RTC's general counsel and
12 the application of the soon-to-expire statute of
13 limitations to that investigation.

14 Q If you can recall, what did he say that he wanted
15 to discuss about the inquiry that was being conducted by
16 the RTC's general counsel?

17 A Would you repeat that.

18 MR. CODINHA: Would you read it back, please.
19 (The reporter read the record as requested.)

20 THE WITNESS: He did not -- it's my recollection
21 that he did not go into the substance of the inquiry
22 itself. What he discussed was there was an inquiry

1 underway, that it was his view, based on information from
 2 his sources -- I don't think he delineated them, but I
 3 assumed one of them was the general counsel of the RTC --
 4 that that investigation was going to take a longer period
 5 of time to conclude and that it might not conclude until
 6 after the expiration of the statute of limitations.

7 BY MR. CODINHA:

8 Q Did he indicate the steps that the RTC was taking
 9 in their inquiry to make a determination that -- strike
 10 that.

11 Did Mr. Altman discuss the steps that the RTC was
 12 taking to get the information that they would need in order
 13 to make a determination on the statute of limitations.

14 MR. BENNETT: I'm going to ask, in fairness to
 15 the witness, if what your objective is is to find out what
 16 happened, if you could show him his notes, which were taken
 17 in real time. I mean, if you want an accurate -- rather
 18 than him guessing years later.

19 MR. CODINHA: Years later?

20 MR. BENNETT: Not years later. Months and
 21 months. The point is the most accurate record is his
 22 contemporaneous notes, so we don't get into a guessing

1 game, I'd ask you to show him his notes.

2 BY MR. CODINHA:

3 Q Mr. Ickes, as best you recall, what was said
 4 about that subject?

5 MR. BENNETT: Go ahead. Guess. Do your best.

6 THE WITNESS: I think I've given you the gist of
 7 it. I can't recall word for word who said what to whom,
 8 but the gist of it was as I just recounted it. He wanted
 9 to inform us, "us" being people from the White House, as to
 10 the status of that investigation from a procedural time
 11 point of view. He did not go into detail -- as I recall,
 12 he did not go into any detail about the substance of it.
 13 It was my impression and impression only he didn't know a
 14 lot about the substance of anything.

15 The purpose of this meeting and the focus of his
 16 discussion was the relationship of the time that he felt
 17 this investigation might be wrapped up and he said, at
 18 least in so many words, that it was his understanding that
 19 the investigation probably would not be concluded and that
 20 a determination could not be made by the RTC's general
 21 counsel as to whether there was a basis for a civil claim
 22 until after the expiration of the statute of limitations

1 had applied to that particular investigation.

2 I recall that he said that the statute began
3 running from the time RTC took over Madison Guaranty.
4 Again, this is what I recall, and I recall that -- all this
5 was new to me. I recall his saying that the statute, as
6 applied to that investigation or at least to that matter,
7 bringing a civil claim, had been expired, had been renewed
8 and made retroactive for a five-year period and was about
9 to expire, I think, the end of March or somewhere along
10 that line.

11 BY MR. CODINHA:

12 Q When you heard Mr. Altman say that the
13 investigation of the RTC probably couldn't be concluded to
14 the satisfaction of the general counsel of the RTC before
15 the statute had run, had you ever heard that piece of
16 information before?

17 A I do not recall. As I said before, this was all
18 very new to me. I think it was at that meeting that I
19 first learned of Roger's relationship to RTC, of Bentsen's
20 relationship to RTC, of the RTC oversight board, and I knew
21 nothing about the structure, and to the best of my
22 recollection, I don't think that -- I do recall there being

1 a D'Amato countdown, but I certainly didn't know the
2 intricacies that he explained that day.

3 Q With respect to the information that the inquiry
4 could probably not be wrapped up to the general counsel's
5 satisfaction, the inquiry about Madison could not be
6 wrapped up to the general counsel's satisfaction before the
7 statute of limitations ran, as far as you knew, was that
8 public knowledge when he said it?

9 A I don't know whether it was public knowledge or
10 not. I assumed that it was -- when you say "public," did
11 the public in general, I didn't think it was. I didn't
12 know whether it was, but it was my assumption that this was
13 information that was not known to the public in general and
14 probably very few people inside the administration.

15 Q Did you believe that that piece of information
16 was known to the parties to the litigation, the other side
17 of the case, the people not on the government side of
18 Madison but on the other side of the Madison investigation?

19 A It wasn't my impression that there was any
20 litigation that had been instituted. It was my
21 understanding what they wanted to do was to preserve the
22 right to initiate litigation. It was not my understanding

1 that there was any litigation underway with respect to this
2 particular issue.

3 Q I'm sorry, potential litigation. Was it your
4 understanding that those people were on the other side of
5 the potential litigation?

6 MR. BENNETT: You mean without regard to what
7 would have been said on the floor of the Senate?

8 MR. CODINHA: I'm saying that the fact that
9 Mr. Altman disclosed at this meeting that the RTC general
10 counsel's office was not going to be in a position to
11 decide whether or not they had enough information until
12 after the statute of limitations had run.

13 MR. BENNETT: I see. I'm sorry.

14 BY MR. CODINHA:

15 Q And that's the focus of my question to you now.
16 As far as you know, was that information given to
17 the other side? Had that information been given to the
18 other side, the potential other side.

19 MR. BENNETT: "The other side" being --

20 MR. CODINHA: Whoever was going to be involved on
21 the opposite side of the Madison case from the RTC.

22 THE WITNESS: I had no idea who had been involved

1 on the other side. A lot of people have been involved in
2 Madison and RTC matters.

3 BY MR. CODINHA:

4 Q You are an attorney. Although I haven't seen
5 your resume, you are an attorney, are you not?

6 A I am.

7 Q Do you think the fact of knowing that one side is
8 not going to be able to have enough information to act
9 before the statute of limitation runs is an important piece
10 of information to be conveyed to the other side?

11 MR. BENNETT: I'm going to object. He's not here
12 in his capacity to give you legal opinions, so I'm going to
13 instruct him to not be opining on what is good lawyering or
14 not good lawyering.

15 MR. CODINHA: I'm not asking him to opine other
16 than what he thought at the time.

17 MR. BENNETT: I'm going to tell him not to give
18 his legal opinion or legal judgment. I think we should
19 focus on section A of the resolution.

20 BY MR. CODINHA:

21 Q Did you understand Ms. Williams was the chief of
22 staff to Hillary Clinton as she sat there in that room?

1 A Was she?

2 Q Did you understand she was?

3 A I knew she was.

4 Q Did you understand that she reported to Hillary
5 Clinton, as chief of staff that she reported directly to
6 Hillary Clinton?

7 A That's my understanding.

8 Q Was there any suggestion at that meeting that the
9 information that was being received was being received in
10 any kind of confidential fashion?

11 A I do not think Mr. Altman referred to
12 confidentiality during these discussions.

13 Q Did you understand that it was likely that
14 Ms. Williams would report the information that she had
15 determined to her superiors?

16 A I had no understanding in that regard.

17 Q Did you understand that she shouldn't report that
18 information to her superior?

19 A I had no understanding in that regard.

20 Q I think you also said that you had raised a
21 question during Mr. Altman's presentation about the
22 progress of the inquiry that was being conducted by the

1 RTC. What do you recall asking Mr. Altman about the
2 progress of the inquiry that was being conducted by the
3 RTC?

4 A As I recall, my questions were procedural and not
5 substantive.

6 Q What were the procedural questions you asked?

7 A I just wanted to get a sense from him as to how
8 long he thought it was going to take for the general
9 counsel to wrap up the investigation and to make a
10 determination -- or I guess it was a recommendation. I
11 think that's the phrase that Mr. Altman used, that general
12 counsel would make a recommendation as to what action, if
13 any, should be taken based on the investigation.

14 And basically, I was trying to get a sense from
15 him, because this was pretty new to me, as to his best
16 estimate of when that investigation would be concluded and
17 a recommendation could be made because as I understood it,
18 general counsel made a recommendation and that
19 recommendation was then moved up the chain in the RTC to
20 determine whether or not the recommendation would be acted
21 upon.

22 Q What did Mr. Altman respond to you about the time

1 that it would take the general counsel to make her
2 recommendation?

3 A He was imprecise. I don't think he had a
4 specific time -- the general information from Mr. Altman
5 was based on what he knew, that it was unlikely that the
6 investigation could be completed and a recommendation made
7 by the general counsel prior to the expiration of the
8 statute of limitations.

9 Q What did Mr. Altman say as to -- I believe you
10 just said that general counsel would make a recommendation
11 as to what action would be taken, and it would begin moving
12 up the line or up the chain.

13 What did Mr. Altman say was going to be the
14 movement up the chain?

15 A I don't think he went into particular detail. It
16 was my understanding that the general counsel -- again, as
17 I sit here today, I recall the general gist of Altman's
18 presentation was in response to questions, I think probably
19 more appropriately, that the general counsel did not have
20 the authority to bring or initiate a civil claim absent
21 approval by higher authority within the RTC structure.

22 Q What did Mr. Altman say about that, if you can

1 recall?

2 A I think I've given you the gist, and I can't
3 recall his exact words, but that's certainly the gist, as I
4 recall it.

5 Q And when he said that, was there inquiry about
6 who was further up the chain who would be making that
7 decision?

8 A I recall the name of a guy by the name of Jack
9 Ryan. I don't know what position or title he held. I came
10 away with the impression that he was certainly above the
11 general counsel's office, and ultimately, I think it would
12 come up to Mr. Altman who was then acting president or
13 chairman, whatever his title was, of the RTC, by virtue of
14 the RTC statute.

15 Q As you recall, is that what Mr. Altman said at
16 the meeting?

17 A That was the gist of what he said.

18 Q Do you recall Mr. Altman told you at the meeting
19 the name of the general counsel?

20 A I think it was Mr. Altman. I know her name was
21 raised by either Altman or somebody else, and my
22 recollection is it was a woman by the name of Ellen Kulka,

1 K-u-l-k-a, I think.

2 Q What, if anything, did Mr. Altman say about Ellen
3 Kulka, other than she was general counsel?

4 A Basically she was general counsel.

5 Q What was said about Jack Ryan, if anything, at
6 that meeting?

7 A I think Mr. Altman -- I'm not sure whether it was
8 Mr. Altman -- reference was made that both of them had
9 worked, I think, previously at the Office of Thrift
10 Supervision, the agency I had never heard of until that
11 meeting, that Mr. Ryan had worked at the office of OTS and
12 it was my impression that he was, from a structural and
13 authoritative point of view, above the general counsel's
14 office.

15 I couldn't tell you what position he held or what
16 the relationships were. It was my sense that he was
17 somewhere between Altman and general counsel, at least with
18 respect to this investigation and possible determination of
19 the general counsel.

20 Q After Mr. Altman talked about that, you said, I
21 believe Mr. Altman said he was considering recusal and that
22 was the first time you learned of Mr. Altman's position

1 within the RTC. What did Mr. Altman say about recusal?

2 A The gist of what he said, and this came towards
3 the very latter part of the meeting and was -- I think the
4 bulk of the meeting was taken up with his presentation and
5 our questions and his answers and discussion about the
6 investigation and its relationship to the statute of
7 limitations.

8 Towards the latter part of the meeting he brought
9 up that he was considering recusing himself in connection
10 with this matter and as I recall, it was because he, as the
11 acting chairman or the president, would ultimately have to
12 determine whether or not to implement a recommendation, if
13 any, made by the general counsel's office with respect to
14 this investigation.

15 Q Did he go on to explain at that time what he
16 thought the reasons for recusing himself were?

17 A There were questions along that line, both from
18 myself, Mr. Nussbaum and I think others to determine the
19 basis and as I recall, the gist of his basis was that he
20 was -- had a long and well-known friendship with the
21 president and that he was considering recusing himself to
22 eliminate any possible conflict or appearance of conflict.

1 Q Do you recall Mr. Altman reading his position
2 from talking points?

3 A Position with respect to what?

4 Q With respect to what he was telling you. Do you
5 recall him using talking points at that meeting?

6 A Telling us in general or telling us with respect
7 to recusal?

8 Q Either one.

9 A I recall that he had a sheet of paper in front of
10 him. He appeared from time to time to be looking at it
11 during his presentations. He sometimes referred to his
12 general counsel as well. I don't know whether anything was
13 typed or written on a piece of paper. I couldn't see it
14 from that perspective, but I assume he was because he
15 seemed to refer to it from time to time.

16 Q With respect to your questioning of Mr. Altman
17 about why he felt he should recuse himself, what did you
18 say, if you can recall?

19 A The gist of what I said was Roger, why do you
20 think you should recuse yourself, and the gist of his
21 answer is what I recall what I related to you earlier.

22 Q That he had a long and well-known friendship with

1 the president and Mrs. Clinton?

2 A And Mrs. Clinton, and he was considering recusing
3 himself in order to avoid either conflict or the appearance
4 of conflict.

5 Q Do you recall him saying that when he spoke to
6 you, not that he was considering recusing himself but that
7 he had decided to recuse himself?

8 A I do not recall him saying that.

9 Q I'd like to show you Exhibit T153, which is
10 labeled "Talking points for Roger Altman, informational
11 meeting with Mack McLarty, 2/2/94," and I'd like you to
12 read the last bullet. You can read the whole thing but I'm
13 going to ask you about the last bullet.

14 MR. BENNETT: Why don't you read the first bullet
15 and the last bullet.

16 THE WITNESS: This is the first time I've seen
17 this to the best of my recollection. The caption is as you
18 have described. The first bullet is "RTC has been
19 requested by eight Republican senators and Congressman
20 including Dole and Michel to seek tolling agreements from
21 president and Mrs. Clinton, McDougal, David Hale, Jim Guy
22 Tucker, Seth Ward related to Madison Guaranty" --

1 MR. BENNETT: Since you had asked about the other
2 side, I thought you might want that on the record.

3 THE WITNESS: The last bullet, "I have decided I
4 will recuse myself from the decisionmaking process as
5 interim CEO of the RTC because of my relationship with the
6 president and Mrs. Clinton."

7 BY MR. CODINHA:

8 Q Having read that, does that refresh your
9 recollection as to what Mr. Altman said at the meeting?

10 A It does not.

11 Q What do you recall Mr. Nussbaum saying to
12 Mr. Altman with respect to recusal, if anything?

13 A The gist was why do you think you need to recuse
14 yourself, Roger? I don't know whether I said it first or
15 he said it first. The gist of Altman's response was as
16 I've testified to and the gist of Nussbaum's response was
17 that he didn't see a need for recusal on that basis and
18 that was basically my response, but that it was up to Roger
19 to decide whether or not he was going to recuse himself.
20 That was a thumbnail -- that is the gist of what was said
21 with respect to recusal.

22 Q Did you see -- strike that.

1 What, if you can recall, did Ms. Williams say to
2 Mr. Altman with respect to recusal?

3 A I don't recall anything specifically that
4 Ms. Williams said. I think my recollection is that
5 virtually everybody around the table was involved in this
6 discussion and the gist of it was, from anyone who spoke
7 from the White House, they didn't necessarily see a basis
8 for recusing or the necessity of recusing, let's put it
9 that way. But it was at bottom, Mr. Altman's decision
10 whether or not he should recuse himself.

11 Q Do you recall Mr. Altman saying at that meeting
12 that he had been advised by Ms. Hanson who was there with
13 him, the general counsel to the Treasury, that he should
14 recuse himself?

15 A I don't recall him saying that.

16 Q Do you recall Mr. Altman saying at that meeting
17 that he had been advised by the general counsel of the RTC
18 that he should recuse himself?

19 A I don't recall him saying that.

20 Q Do you recall Mr. Altman saying at the meeting
21 that he had been advised by Secretary Bentsen of the
22 Treasury that he should recuse himself?

1 A I don't recall him saying that.

2 MR. BENNETT: May I see that exhibit?

3 THE WITNESS: I'm not saying that he didn't say
4 that. I don't recall, as I sit here today, him saying
5 that.

6 MR. BENNETT: I would note that that doesn't
7 appear to be in his talking points.

8 MR. CODINHA: No.

9 BY MR. CODINHA:

10 Q With respect to -- strike that.

11 How long did this entire meeting last?

12 A I don't recall. I think not longer than 45
13 minutes, in that neighborhood.

14 Q How did the meeting end?

15 A The meeting ended with -- on this subject that
16 we've been discussing with everybody on the White House
17 side who spoke on it, saying that it was whether Altman
18 recused himself or not was up to him and as I recall,
19 Altman saying that he had not made a decision and that he
20 would be making a decision within the next day or so and
21 would be getting back to us. I'm not even sure if the "us"
22 was designated as a particular individual as to his

1 decision.

2 Q When Mr. Nussbaum spoke to Mr. Altman about the
3 subject of recusal, how was the delivery made to
4 Mr. Altman?

5 A In --

6 Q What was the tone of the delivery?

7 A In the normal tone that Bernie uses in general
8 discussions.

9 Q Did Mr. --

10 A Nothing out of the ordinary.

11 MR. BENNETT: Describe to him what Mr. Nussbaum's
12 normal tone is.

13 THE WITNESS: Well, Mr. Nussbaum, in my
14 experience, is -- I guess I would characterize him as a
15 passionate advocate. He urges his beliefs in a fairly
16 assertive way, but that's just his general nature.

17 MR. BENNETT: I didn't want two ships passing in
18 the night.

19 THE WITNESS: There's nothing -- Bernie did
20 not -- his attitude and demeanor was no different than if
21 he were talking to me about just matters in general. There
22 was nothing out of the ordinary for him.

1 BY MR. CODINHA:

2 Q And it was Mr. Nussbaum's position, as he
3 articulated it, that he didn't hear any reason from Altman
4 why he should recuse himself?

5 A As best I can recall, as I have testified before,
6 I think both Mr. Nussbaum and I took the position that we
7 did not -- that the basis which Mr. Altman was advancing
8 for recusal, we didn't see that it necessarily required his
9 recusal, but it was his decision to make and his alone to
10 make.

11 Q Did Mr. Nussbaum raise at that meeting the fact
12 that from the White House's point of view, recusal as a
13 policy issue would be a bad thing?

14 A I don't recall that, and I don't see how that
15 broad statement could be made since these things, it seems
16 to me -- I'm no expert in conflict of interest and recusal,
17 but it seems to me, based on my limited knowledge, they
18 have to be made on a case-by-case basis. I do think that
19 there was discussion that if everybody who had a friendship
20 with the president were to recuse themselves, there'd be a
21 lot of recusals, but again, it was emphasized clearly by
22 everybody at the table that it was up to Mr. Altman to make

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1 that determination himself.

2 Q Do you recall, in the context of Mr. Altman
3 saying that he was considering recusing himself, who
4 Mr. Altman would say -- who Mr. Altman said would be in the
5 decisionmaking process at the RTC as it related to Madison?

6 A Again, I don't have a -- my general recollection
7 on this is I think that Jack Ryan would succeed him. I
8 don't know whether as interim CEO, but it was my
9 impression, at least that Jack Ryan, rather than Roger
10 Altman, would be making the final decision on whether or
11 not to implement any determination or recommendation by the
12 RTC's general counsel.

13 Q Do you recall Mr. Altman making a statement at
14 that meeting or making a statement, words to the effect
15 that it didn't matter whether he recused himself anyway
16 because he had already ceded the decision on Madison to
17 lower level people at the RTC?

18 A I don't recall him saying that.

19 Q Is that something you would have recalled if he
20 had said it?

21 A What I do recall Mr. Altman saying is that he
22 fully expected to follow the recommendation of the RTC's

1 general counsel.

2 Q In this case, Ms. Kulka?

3 A Yes, with respect to this matter.

4 Q Do you recall at that meeting Mr. Nussbaum
5 indicating that he knew Ms. Kulka or knew of Ms. Kulka or
6 knew Mr. Ryan or knew of Mr. Ryan?

7 A I recall that Mr. Nussbaum indicated he had known
8 of each prior to this meeting.

9 Q What do you recall Mr. Nussbaum indicating at
10 that -- strike that.

11 What do you recall Mr. Nussbaum saying at that
12 meeting about what he knew about Ms. Kulka?

13 A It was unclear to me. It was my impression,
14 based on Mr. Nussbaum's remarks, that he had dealt with
15 Ms. Kulka in connection with a prior litigation or matter
16 that I think he had held -- he had been handling in private
17 practice before joining the White House. She had been with
18 the Office of Thrift Supervision, as I recall, when he was
19 handling that matter.

20 Q And what did Mr. Nussbaum, as best you can
21 recall, say about Ms. Kulka, as she had been a lawyer for
22 the Office of Thrift Supervision in the case that he had

1 dealt with her before?

2 A As I recall, I think Mr. Nussbaum had some
3 question. He didn't raise this to a high level, that I
4 recall but he had some question about her judgment and
5 impartiality.

6 Q Did he say -- when you say he had some question
7 about her judgment and impartiality, what did he say about
8 Ms. Kulka's judgment and impartiality?

9 A All I can recall is that he had some question
10 about it. I don't recall anything else.

11 Q When you say question about her judgment, was it
12 a suggestion that he had a problem with Ms. Kulka's
13 judgment?

14 A I think it's fair to say, as I recall, that he
15 questioned her judgment.

16 Q And in terms of impartiality, would you
17 explain -- as you understood it, what was the question
18 about her impartiality?

19 A It was my impression that he had a question about
20 her impartiality as a result of his relationship to her in
21 the -- it was either litigation or case that I think he was
22 handling in connection with the Office of Thrift

1 Supervision when he was in private practice. I don't
2 recall the details, whether he spelled out details or if he
3 did, what they were.

4 Q Do you recall him talking about the Kaye, Scholer
5 case and how the Office of Thrift Supervision had been
6 unfair in the dealings?

7 A I remember -- yes, you now have refreshed my
8 memory. I think he did mention -- I recall Bernie did
9 represent Kaye, Scholer. I don't know in what connection
10 but as you recall, he did raise Kaye, Scholer's name, a law
11 firm in New York, in that discussion.

12 Q And did he say that the Office of Thrift
13 Supervision had treated Kaye, Scholer unfairly and had
14 brought Kay, Scholer to their knees by the methods they had
15 employed in that litigation?

16 A I don't recall the details of the discussion.
17 Again, I recall his mentioning of Kaye, Scholer and I think
18 it was in regard to his questioning Ms. Kulka's, as I
19 recall, both judgment and impartiality.

20 Q Did you see Mr. Nussbaum have a visceral
21 reaction, a reaction you could see when the name Ellen
22 Kulka was mentioned as being the person who was going to be

1 in charge of the decisionmaking process as it related to
2 Madison?

3 A Well, he certainly raised a question and if you
4 know Mr. Nussbaum, as I said, he's passionate in his
5 presentations, but I want to emphasize he was no more
6 passionate in this discussion than he is in any number of
7 other situations.

8 Q But he was as passionate in this one as he is in
9 any other number of ones?

10 A He was, but Bernie can get passionate about what
11 he chooses off the menu.

12 Q Was it your understanding that Mr. Nussbaum was
13 particularly passionate about the issue of how the Office
14 of Thrift Services had dealt with Kaye, Scholer whom he had
15 represented?

16 A I was under the distinct impression that he was
17 unhappy about it.

18 Q Did he talk about -- strike that. Let me go back
19 to the meeting.

20 When the meeting ended, what did you do after the
21 meeting as it related to Whitewater or Madison, not did you
22 go home for dinner?

1 A I got up and walked out.

2 Q Did any group of people -- strike that.

3 Did Mr. Altman and Ms. Hanson leave the meeting?

4 A Yes. The meeting was over, and as I say, there

5 is a great deal of business. When I left, they left.

6 Mr. McLarty was not around. He did not participate in the

7 meeting and we just dispersed. I don't recall any

8 postmeeting among either White House people or with Altman

9 or Ryan -- I'm sorry, or Hanson.

10 Q Did any group of people remain after the meeting

11 to discuss the events of the meeting, if you can recall?

12 A Not that I recall. I think that we all had other

13 things to go and do, probably running behind time.

14 Q Do you recall at the meeting there being a

15 question raised by Mr. Nussbaum about how Ms. Kulka had

16 gotten her position at RTC?

17 A I don't know whether Nussbaum raised it or not.

18 It's my best recollection that there was some discussion of

19 that. And my recollection is that Altman had either

20 recommended her or had approved her. It was something in

21 connection with his acting status, for lack of a better

22 word, as head of the RTC that he had been involved in her

1 selection and at the very least had approved her

2 selection. But again, it was not a focus of the meeting

3 that I recall. This is just my recollection of my

4 impression of that.

5 Q Of the people who spoke from the White House at

6 the meeting, did anyone suggest that Mr. Altman should

7 recuse himself?

8 A I don't recall anyone saying that he should. I

9 recall, as I've testified before, that at least Bernie

10 Nussbaum and I questioned whether he needed to, but all

11 concerned who spoke on the subject said -- made it very

12 clear that it was up to Roger Altman to make that

13 decision.

14 (Pause.)

15 Q Mr. Ickes, it's my practice, after there's been

16 some form of break, to ask you whether there's anything

17 you'd like to add to the record, expand on the record or

18 make any correction to the record as you sit here now.

19 A No.

20 Q I'd like to now turn your attention to --

21 following the meeting of February 2nd, did you inform your

22 chief of staff, Mr. McLarty, of what had occurred at the

1 meeting?

2 A I don't recall any specific conversation with
3 him, as I sit here today, but I'm confident that I did.

4 Q Do you recall whether you reported what you had
5 learned of the meeting to the President of the United
6 States?

7 MR. BENNETT: I think that's a fair question.

8 THE WITNESS: I wouldn't use the word
9 "reported." I recall having a discussion with him, or
10 during a discussion with him on other matters, informing
11 him about the substance of the conversation. I don't
12 recall when that occurred, whether it occurred shortly
13 after or a number of days or even weeks after, but I recall
14 informing him of the gist of what had occurred.

15 BY MR. CODINHA:

16 Q Do you recall -- did you have occasion to brief
17 the First Lady of the United States about the subject
18 matter of the meeting?

19 A Again, I wouldn't use the word "brief." I recall
20 informing her of the gist of the meeting. Again, I don't
21 know of when or where.

22 Q Following the February 2nd meeting, did you come

1 to have another meeting with Mr. Altman shortly thereafter?

2 A On this matter?

3 Q On this matter.

4 A The answer is yes.

5 Q And when did that meeting occur?

6 A It occurred, as I recall, within a day or so
7 following the meeting that we've discussed.

8 Q What were the circumstances under which you met
9 with Mr. Altman?

10 A My best recollection is that it was in the west
11 wing, and I recall it being on the second floor, which is
12 the top floor of the west wing, and my best recollection is
13 it took place in the late afternoon, I think, in connection
14 with one of the 6:00 health care meetings.

15 Q Was this a meeting in which anything related to
16 Whitewater was discussed, Whitewater, Madison or
17 Mr. Altman's recusal issue?

18 A Not that I recall. I think it was as we were
19 about to go in -- my best recollection is it was as we were
20 about to begin or to go into one of the regular 6:00 health
21 care meetings.

22 Q And what was discussed at that time -- strike

1 that.

2 Who was present?

3 A I think that myself, Maggie Williams and Roger
4 Altman were present, and I think the discussion occurred
5 either in the hallway outside of Maggie's west wing office
6 or inside her west wing office. I don't recall where.

7 Q And what do you recall the discussion being? Who
8 said what to whom?

9 A I don't recall the exact words of who said what
10 to whom. The gist of it was -- and it was a very short, in
11 my recollection, less than a minute conversation in which
12 Mr. Altman informed me and if Ms. Williams was there,
13 informed her that he had decided not to recuse himself.

14 Q What response did you make to that, if any?

15 A Other than I've heard you, I don't think any.

16 Q And what response did Ms. Williams make to that,
17 if any?

18 A I don't recall her making any response, but I
19 don't recall what response, if any, she made.

20 Q What do you recall happening next after that
21 meeting?

22 A My recollection is that we proceeded with a

1 meeting on health care in Maggie's office.

2 Q Do you recall Ms. Hanson coming to that second
3 meeting? When I say the "second meeting," I mean the
4 meeting on February 3rd.

5 A It was either February 3rd or in that time
6 period. I recall seeing Ms. Hanson either in the hallway
7 outside of Ms. Williams's second floor or west wing office
8 or in her office, and I recall that being on the same day
9 that Altman told me and Maggie that he had decided not to
10 recuse himself. I recall seeing Ms. Hanson in the office,
11 however, earlier than when Mr. Altman told us about his
12 nonrecusal.

13 Q So you saw Ms. Hanson first and it was after that
14 you saw Mr. Altman?

15 A I'm giving you my best recollection. My
16 recollection is I saw Ms. Hanson in there around noon or
17 shortly afternoon, and I recall Roger informing us of his
18 decision not to recuse himself late in the afternoon.

19 Q Do you recall having a conversation with
20 Ms. Hanson when you saw her in the west wing?

21 A I do.

22 Q And what do you recall saying to Ms. Hanson and

1 what do you recall she said to you?

2 A Hello. Nice to see you. Good-bye.

3 Q Let me just ask you now, do you recall whether
4 this meeting between you, Ms. Williams and Mr. Altman may
5 have occurred around lunchtime?

6 A It could have. I'm just giving you my best
7 recollection, but I'm not saying it didn't.

8 Q Do you recall that Mr. Altman -- that it wasn't a
9 sit-down meeting, it was a meeting where people were
10 conversing standing up?

11 A I recall that the three of us were conversing
12 standing up.

13 Q That everybody was standing up and conversing?

14 A Yes.

15 Q Do you recall being notified by Ms. Williams in
16 advance of that meeting that Mr. Altman wanted to come over
17 and tell you something?

18 A She may well have. I don't recall.

19 Q Do you recall whether Ms. Williams asked you to
20 come up to her second floor west wing office to be there
21 for this Altman meeting?

22 A She could have. I don't recall it.

1 Q Do you recall that when you saw Ms. Hanson,
2 Ms. Williams was still present?

3 A Yes, she was.

4 Q Do you recall when you talked to Ms. Hanson, you
5 had some discussion about Mr. Altman's recusal decision?

6 A I don't recall it. You know, we could have. My
7 recollection is as I've testified before. I didn't know
8 Ms. Hanson other than meeting her at the February 2nd
9 meeting, and my recollection is that I literally said
10 hello, nice to see you, good-bye. It was a 30-second
11 meeting, if you can characterize that as a meeting.

12 Q Do you recall that when Ms. Hanson came,
13 Mr. Altman had already left?

14 A As I said, it is my best recollection -- I'm not
15 saying that it could not have occurred otherwise -- it's my
16 best recollection that I saw and said hello, nice to see
17 you, good-bye, to Ms. Hanson sometime noon or shortly after
18 noon that day and that the meeting that I described to you
19 with Mr. Altman and Maggie Williams occurred late
20 afternoon. I'm not saying it could not have occurred
21 otherwise, but that's my best recollection.

22 Q Do you recall asking Ms. Hanson when you saw her

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1 who else knew about Mr. Altman's consideration that he
2 might or might not recuse himself?

3 A I don't recall discussing with Ms. Hanson at all
4 the recusal situation.

5 Q Do you recall saying to Ms. Hanson it will look
6 bad if people know that Altman was considering recusing
7 himself?

8 A Same answer as before. The answer is I have no
9 recollection of that.

10 Q Do you recall telling Ms. Hanson it would be
11 better if no one knew that Altman was considering recusing
12 himself?

13 A Same answer as before.

14 Q Do you recall Ms. Hanson saying words to the
15 effect that if anybody asked her, she was just going to say
16 that he had decided to recuse himself?

17 A Same answer as before. I have no recollection
18 whatsoever of that.

19 Q Following your discussion with Mr. Altman, do you
20 recall discussing his decision not to recuse himself with
21 anyone else in the White House?

22 A I don't recall any specific discussions. I

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1 undoubtedly did.

2 Q Do you recall the discussion of Mr. Altman's
3 decision -- strike that.

4 Do you recall the matters that Mr. Altman had
5 discussed at the February 2nd meeting coming up at the
6 Whitewater response group meetings?

7 A I don't recall any specific discussion. There
8 probably was, but I couldn't pin the time or date or a
9 specific meeting.

10 Q Do you recall whether at some point in February,
11 Mr. Eggleston was asked to prepare a chronology relating to
12 Whitewater and Madison?

13 A Whether he was asked by me?

14 Q Whether he was asked to in general. Did you ever
15 become aware of that?

16 A There were discussions about the need to prepare
17 a chronology, and that was a discussion that was --
18 discussion that was an issue that was referred to from time
19 to time. It was my view that it would be useful to have
20 such a chronology because it was an ever-expanding group of
21 dates, people and circumstances.

22 Q Did you ask Mr. Eggleston to create such a

1 chronology?

2 A I may have. I don't recall specifically, but I
3 may have. I recall at the time that -- or during that
4 whole period, that it would be a useful document to have so
5 everybody could have reference to it.

6 Q Was such a chronology ever prepared, if you know?

7 A I don't think that such a chronology was ever
8 prepared.

9 Q Do you know a reason why, if you believed one was
10 necessary, one wasn't prepared?

11 A I think it was the press of time and the press of
12 inquiries from the press in trying to deal with responses,
13 and the fact that all of us involved in this were
14 responsible for other areas. I myself was working
15 basically from 6:30 in the morning until 8:00 or 10:00 at
16 night, involved in health care and the '94 elections, and
17 while I understand this is the focus of your inquiry, and
18 it was important to the White House, it was not the single
19 factor that any of us were dealing with.

20 So I treated it, I think to the press of time
21 that it was never put together. I'm not sure that one was
22 never put together ultimately but during the time period

1 we're discussing now, I do not think one was put together.

2 Q Did you become aware sometime in early to
3 mid-February that the issue of Mr. Altman's recusal or
4 nonrecusal had become moot?

5 A During what time period?

6 Q Early to mid-February from, say, the 8th to the
7 15th time period that the issue of whether he recused
8 himself or not had become moot?

9 A I don't.

10 Q Do you recall hearing that on or about February
11 11th that the statute of limitations had been extended for
12 another few years?

13 A I recall that, and I don't recall either the
14 details or when I learned of it.

15 Q Was that a subject matter that was discussed by
16 the Whitewater response team at one of its meetings?

17 A I'm sure it was. I can't recall when or where.
18 And again, I just want to point out by this time, by the
19 time we're moving into February, the Whitewater response
20 team was meeting on an very irregular basis and there was
21 discussions going on in the White House about whether to
22 have somebody else basically be responsible for managing

1 the press response to Whitewater other than myself.

2 Q Do you recall Roger Altman testifying before the
3 Senate Banking Committee on oversight hearings on February
4 24th? Do you recall learning of that?

5 A Yes.

6 Q Prior to that, did you have any conversations
7 just prior to that -- when I say "just prior," within a few
8 days within the February 24th hearings with Mr. Altman?

9 A I did.

10 Q When do you recall those conversations occurring?

11 A I had one conversation.

12 Q When do you recall that conversation occurring?

13 A It was early evening of the day immediately
14 preceding his testimony before Senate Banking.

15 Q What was the occasion that you had contact with
16 Mr. Altman?

17 A He had called me on the telephone.

18 Q Were you responding to his call or you just
19 answered the phone?

20 A Well, my assistant, Janice Enright, forwarded the
21 call. I was in Stephanopoulos's office -- George and I are
22 in each other's offices several times a day -- and I was in

1 his office and I got a call and his secretary told my
2 assistant, Janice Enright, that I had a call and she said
3 Roger Altman was on the phone and I said put him through.

4 Q When you spoke to Mr. Altman, what did you say to
5 him and what did he say to you?

6 A The gist of what he said was that he informed me
7 that he was going to testify before Senate Banking the next
8 day. I knew that already. He said he was considering
9 recusing himself. During that -- immediately preceding or
10 during that appearance before Senate Banking, he wondered
11 if I had any thoughts on the subject, said that he was
12 going out to a meeting, that he was on his way out to a
13 meeting or dinner -- I forget which -- he expected to be
14 back between 8:30, 9:00, I forget the precise time, and he
15 asked me if I would call him with any thoughts I had on the
16 subject.

17 I asked him -- it was a very short telephone
18 conversation. I asked him whether there had been any
19 change of circumstances following our meeting on
20 February 2nd and his subsequent decision not to recuse
21 himself. He said that there had been no change of
22 circumstances, and I said, offhand, I didn't see a need for

1 him to recuse himself, but I'd think about it and get back
2 to him. It was a very short phone conversation.

3 Q Was there any discussion at that meeting --

4 MR. BENNETT: You mean in that call.

5 BY MR. CODINHA:

6 Q I'm sorry, in that call that the statute of
7 limitations had already been extended on Madison so the
8 issue of recusal might have been moot?

9 A There may well have been. It's unclear to me
10 when you say the issue would have been "moot." If it had
11 been extended, why would it have been moot?

12 Q I'm just asking you whether that conversation
13 took place on the telephone call.

14 A I don't think so. I don't think so but I don't
15 recall it.

16 Q Did you take this call on a speakerphone in
17 Mr. Stephanopoulos's office or was it a direct line --

18 A Direct line. George has two phones in his office
19 and with several lines on it and as I recall, I was seated
20 in a chair by his second phone and I took the phone call
21 there. It was not on a speakerphone.

22 Q Was Mr. Stephanopoulos in his office?

1 A George was there. I was in there talking to him.

2 Q When you finished the phone call with Mr. Altman,
3 did you talk to Mr. Stephanopoulos about the telephone call
4 you just received from Altman?

5 A I did.

6 Q What did you tell Mr. Stephanopoulos about the
7 telephone call?

8 A I relayed the gist of it, as I've stated here.

9 Q Did Mr. Stephanopoulos have a position about what
10 you had discussed with Mr. Altman?

11 A I think his position -- as I recall, his position
12 was the same as mine. If there had been no change of
13 circumstances and neither of us were aware of any change
14 and Mr. Altman had indicated there had not been any change
15 in circumstances, he didn't see the necessity of
16 Mr. Altman's recusal, nor did I, but he said look, it's up
17 to Roger. It's his decision to make.

18 Q Was it your understanding by the time of this
19 telephone call, which you've described as occurring on
20 February 23rd, that there was increasing press clamor from
21 Mr. Altman to recuse himself?

22 A I don't recall. Again, there's so much press and

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1 so much discussion that a lot of this has really merged. I
2 don't recall the intensity of the press discussion about
3 that issue at that time.

4 Q Did you watch Mr. Altman testify before the
5 Senate Banking Committee by any chance?

6 A I did not. It was a typically very busy, long
7 day for me and there were a press of other things and I did
8 not watch him.

9 Q Do you recall a telephone call on or about
10 February 25th that was made to Mr. Altman?

11 A I do.

12 Q In which you participated?

13 A In which I participated, yes.

14 Q Who made the phone call?

15 A It was in George's office. He placed the call,
16 George Stephanopoulos, that is.

17 Q Had you planned to make a phone call with
18 Mr. Stephanopoulos?

19 A No.

20 Q What were the circumstances that led up to the
21 phone call?

22 A I had gone up to see George, as I periodically

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1 do, or he's down in my office --

2 MR. BENNETT: Keep your voice up.

3 THE WITNESS: I'm sorry. He informed me that he
4 understood that Altman had had a conversation earlier that
5 afternoon with an employee of The New York Times and during
6 the course of that conversation, Mr. Altman had told the
7 employee of the Times that he was either recusing himself
8 or stepping down from the RTC. I forget what technical
9 phrase was used.

10 And I don't recall George telling me the basis or
11 the source of his information, and I suggested that why
12 don't we call Roger to see what, in fact, he had done
13 because there had been some -- as I recall, he had not --
14 he had not recused himself during the Senate Banking
15 hearings and therefore, that information came as a total
16 and complete surprise to me and to George.

17 BY MR. CODINHA:

18 Q When Mr. Stephanopoulos called Mr. Altman, were
19 you on a speakerphone?

20 A We were.

21 Q And what was said -- who said what to whom during
22 this telephone conversation?

1 A Again, I don't recall the exact conversations,
2 but the gist of the conversation was, from my end and
3 George's end, we've heard this, is it true? Altman said
4 that he had had a conversation earlier that afternoon. I
5 think our call was late-ish afternoon to Altman. Our call
6 to Altman was late-ish afternoon, that he had earlier that
7 afternoon had a telephone call with Howell Rains, who is an
8 employee of The New York Times.

9 MR. BENNETT: I'm not sure he would like you to
10 describe it that way.

11 THE WITNESS: That's what I understand.

12 MR. BENNETT: I'm being silly. Sorry.

13 THE WITNESS: During the course of the
14 conversation with Mr. Rains, he, Roger, I think, had been
15 told by Mr. Rains that Mr. Rains was going to write a very
16 stiff editorial criticizing Mr. Altman and Mr. Altman -- I
17 don't know if in response to Mr. Rains's information, but
18 during the course of that conversation with Mr. Rains, told
19 Mr. Rains he was either going to recuse himself or step
20 down as acting CEO of the RTC.

21 George and I expressed great surprise and the
22 great surprise was not that he had recused himself, but the

1 manner in which he had recused himself, that he had not
2 notified anybody in the White House that he was going to do
3 so, that we thought it would have been useful for us to
4 know since we were obviously going to be asked questions
5 about it by the press, and that was basically the gist of
6 it.

7 During the course of that conversation, Roger
8 Altman asked if he should say anything to the president and
9 I think it was George who suggested you might consider
10 writing a letter to the president which he subsequently
11 did, but that was the gist of the conversation as best I
12 recall. It was a fairly short conversation.

13 BY MR. CODINHA:

14 Q Were you able to determine from talking to Altman
15 what new fact he had divined that changed his opinion on
16 recusal?

17 A I think it was his discussion with the employee
18 of The New York Times.

19 Q The fact that an editorial was going to be
20 written in The New York Times was the thing that leaned the
21 balance to recusal?

22 A I don't recall the specific discussion. It was

1 my impression that Altman felt that this would be a way to
2 blunt criticism, at least from The New York Times.

3 Q It would be a way to blunt criticism of Roger
4 Altman from The New York Times?

5 A He didn't indicate that. I think he was
6 concerned about the administration, criticism of the
7 administration.

8 Q Did he indicate by saying that he had gotten --
9 by saying he would recuse himself or step down as CEO, that
10 he had gotten The New York Times to agree they wouldn't
11 write an editorial piece on this issue?

12 A No, he did not.

13 MR. BENNETT: Excuse me. Let him finish his
14 questions before you answer because she has to get them
15 down.

16 THE WITNESS: I'm sorry.

17 BY MR. CODINHA:

18 Q Were you aware before --

19 A Am I answering that question?

20 MR. BENNETT: You just both can't talk at once.

21 THE WITNESS: I agree with you. I don't think I
22 gave a full answer to the question. Would you mind reading

1 it back to me.

2 (The reporter read the record as requested.)

3 THE WITNESS: Let me just fill that answer out.
4 No, he did not, and in fact, it was my impression
5 that the Times was going to write an editorial which they,
6 in fact, did.

7 BY MR. CODINHA:

8 Q Was there any discussion with Mr. Altman or
9 criticism of Mr. Altman for recusing himself to The New
10 York Times because they were going to write an article?

11 A I'm sorry? Say that again.

12 Q Was there any discussion with Mr. Altman or
13 criticism of Mr. Altman that the reason why apparently he
14 was recusing himself was because there was going to be an
15 adverse or stiff editorial by The New York Times?

16 A Not that I recall. The gist and the thrust of
17 the conversation from George Stephanopoulos's and my end
18 was surprise, great surprise at the way he had decided to
19 recuse himself, not the fact he had recused himself. I
20 don't think we -- I don't recall any specific discussion
21 about The New York Times, per se.

22 Q Was anything said in the conversation with

1 Altman, that you were a part of, about the fact that Bill
2 Clinton, the President of the United States, was furious
3 about Altman's recusal?

4 A I don't recall that. I myself had not talked to
5 the president since between when I first learned of it and
6 the phone conversation, which was no more than five
7 minutes. I don't know where the president was that day. I
8 did not know whether George had talked to the president
9 about it or not, so to the best of my recollection, there
10 was no discussion about the president's state of mind, if
11 any, on this subject.

12 MR. BENNETT: May I ask, were you limiting the
13 question to the president being furious about recusal or
14 about the way in which he recused himself?

15 MR. CODINHA: Recusal.

16 BY MR. CODINHA:

17 Q Let me ask the question. Were you aware whether
18 the president was furious -- strike that.

19 Was anything said to Mr. Altman on the phone that
20 the president was furious about the way in which Mr. Altman
21 had recused himself?

22 A No. As I recall, the most that was said -- first

1 of all, I hadn't talked to the president so I had no reason
2 to know what his state of mind would have been or his
3 attitude. I don't recall George telling me anything about
4 the president's attitude, and at most, what I recall him
5 saying was we thought the president would be as surprised
6 as we were in the way it was done, not the fact that he had
7 recused himself.

8 And I think it was in response to that that
9 Altman said what should I do to discuss this with the
10 president, which in my recollection, George suggested he
11 might think about writing him a letter.

12 Q Do you know who Jay Stephens is?

13 A I do now.

14 Q Did you know who Jay Stephens was on or about
15 February 25, 1994?

16 A I don't recall when I first learned about his
17 name and who he was. It was around that time, and it could
18 have been shortly before. It could have been on or about
19 the 25th. It could have been shortly after. I do not
20 recall when I first learned about it. I had never learned
21 of him, however, before that time period.

22 Q Did you understand at or around this time Jay

1 Stephens had been the former United States attorney for the
2 District of Columbia?

3 A I learned that.

4 Q Did you learn at or about this time that he was
5 one of the U.S. attorneys who had been asked to resign when
6 President Clinton came in to office?

7 A It was my understanding that the president had
8 asked all United States attorneys for their resignation and
9 he was one of them and he had been bitterly vocal about it
10 and was considered by many to be a very highly partisan
11 Republican.

12 Q And an outspoken critic of the administration?

13 A That's what I was told.

14 Q Did you become aware at or about the time of
15 February 25th that Mr. Stephens had been hired by the
16 Resolution Trust Corporation to handle the Madison case for
17 the Resolution Trust Corporation?

18 A I did come to learn that. I don't recall when.
19 It was in this time period. Whether before, on or before
20 the 25th or after, I don't recall. But I recall learning
21 that and I recall learning I think it was his firm --
22 Madison, Pillsbury --

1 Q Pillsbury, Madison?

2 A Which I gather is headquartered in San Francisco
3 had been retained through some modified RFP process to
4 assist the general counsel of RTC in conducting its
5 investigation that we've talked about earlier.

6 Q What was your source of information on how that
7 retention had been made?

8 A I don't know. It could have been from Altman.
9 It could have been from people in the White House. It
10 could have been from the general counsel's office. I
11 recall getting that information.

12 Q Did you get it as a request from someone to find
13 out how that had happened?

14 A I don't recall being specifically requested to
15 find out about it. I think I was curious about it and
16 wanted to find out about it, how it had happened.

17 Q Do you recall, in this telephone conversation
18 that you and Mr. Stephanopoulos had with Mr. Altman, a
19 discussion about Jay Stephens occurring?

20 A We could have. As I sit here today, I don't
21 remember a specific discussion, but we may well have,
22 assuming that I knew about it at that time and as I say, I

1 can't place the exact time I learned about Stephens.

2 Q Do you recall there being a discussion with
3 Mr. Altman at that time about whether Mr. Stephens could be
4 gotten rid of as the lawyer that the RTC had hired to
5 handle the case?

6 A At that time meaning on the 25th?

7 Q In this telephone call. I'm asking specifically
8 about the telephone call.

9 A I don't recall that, but as I say, we could have
10 discussed Stephens. I don't recall any discussion about
11 getting rid of him. It was my understanding that his firm
12 had been retained. But again, I want to make clear to you
13 I don't recall when I learned that information.

14 Q Do you remember whether there was any discussion
15 with Mr. Altman on the telephone call with you and
16 Mr. Stephanopoulos about whether Mr. Stephens or his firm
17 could be fired from representing the RTC in representing
18 Madison in this case?

19 A I do not. I do not recall any discussion about
20 that. Again, it was my understanding from the beginning
21 that his firm had been retained and it was nailed down.

22 Q When you say it was your understanding from the

1 beginning, that his firm had been retained from the
2 beginning and it was nailed down, what do you mean by the
3 phrase "it was nailed down"?

4 A Whatever arrangements had been made, whatever
5 factual arrangements had been made between his firm and the
6 RTC were in place.

7 Q Who told you that?

8 A I can't recall. I really don't know.

9 Q Did you understand there were contractual
10 arrangements, there was some kind of written agreement?

11 A No, I didn't understand there was a written
12 agreement per se but -- that the situation was no longer
13 whether RTC was considering retaining him, that the
14 retention had been consummated.

15 Q Do you recall discussing that subject with
16 Mr. Stephanopoulos?

17 A I'm sure I did. I don't recall when, but I'm
18 sure did I.

19 Q Do you recall Mr. Stephanopoulos being angry
20 about the subject that the RTC had retained Jay Stephens,
21 an outspoken critic of Mr. Clinton and the White House, to
22 investigate the Madison case?

1 A I wouldn't use the word "angry." I think that
2 those of us who were focusing on this, including myself,
3 were very concerned because of his highly partisan and
4 outspoken and critical attitude towards the administration.

5 Q How did you show your concern?

6 A I expressed it to George and to others in the
7 administration. It was my understanding that there was
8 nothing that could be done about it. The firm had been
9 retained, and that was it.

10 MR. BENNETT: To put that in context, now that
11 he's absolutely furious, he has to spend Sunday here and
12 right now he's absolutely furious.

13 BY MR. CODINHA:

14 Q What was Mr. Stephanopoulos's response to the
15 fact that Mr. Stephens had been hired?

16 A As I've testified before, very concerned, as was
17 I, very concerned.

18 Q How did he manifest his concern?

19 A He said he was concerned.

20 Q Did he yell?

21 A George does not yell. He's the opposite of
22 Bernie.

1 Q Did he throw anything around the room?

2 A George Stephanopoulos, that is not his demeanor.
3 That is not how he acts. He's a very low-key,
4 even-tempered, calm, cool and collected individual. He
5 doesn't yell and scream and throw things around the room.

6 Q Have you seen Mr. Stephanopoulos blow off steam?

7 A Yes. I remember he and I walking down
8 Independence Avenue in a snowstorm once and we couldn't get
9 a cab, and he was angry we couldn't get a cab. The fact is
10 George was concerned. I was concerned and others were
11 concerned, as I said, because of the highly partisan nature
12 of Mr. Stephens, at least that's been described to me and I
13 gather was the general understanding among people who knew
14 of him or about him.

15 Q Did Mr. Stephanopoulos indicate to you that he
16 had called, prior to this telephone call or after this
17 telephone call, that he had called Josh Steiner at the
18 Treasury Department?

19 A He did not. I don't recall him talking to me
20 about -- let's back up. Call Josh Steiner about what?

21 Q About the subject of both Mr. Altman's recusal
22 and Mr. Stephens's hiring.

1 A I don't recall George telling me about any
2 conversation he had had with Steiner on that subject. I
3 mean, he may well have, but as I sit here today, I don't
4 recall.

5 Q Let me ask you about either one of them. Do you
6 recall Mr. Stephanopoulos telling you he had called
7 Mr. Steiner either before or after this Altman telephone
8 call about the subject of recusal?

9 A As I've testified before, I don't recall his
10 telling me the basis of his knowledge about the recusal and
11 therefore, I don't have a recollection of his telling me
12 that he had talked to Steiner before he, George and I
13 called Altman. I'm not saying he didn't do that. I don't
14 have a recollection of it.

15 Q Did Mr. Stephanopoulos tell you he had, either
16 before or after the telephone call in which he
17 participated, say that he had called Mr. Steiner about the
18 subject of Mr. Stephens's hiring by the RTC?

19 A I don't recall his telling me about any
20 conversation he had with Steiner about Stephens.

21 Q It has been widely reported in the media that
22 Mr. Stephanopoulos did have a conversation with Mr. Steiner

1 about these subjects and that Mr. Stephanopoulos has said
2 that he blew off steam or words to that effect in the
3 media.

4 Have you had any conversations with
5 Mr. Stephanopoulos since that time about any conversation
6 he might have had with Mr. Steiner on these subjects?

7 A Well, as I recall, it was the subject of a Time
8 magazine front page, front cover article I think several
9 weeks -- two weeks, three weeks, I don't recall the exact
10 date of that, in which the photographs and pictures of the
11 president and Stephanopoulos were on there. George and I
12 were the subject of or part of the subjects of the articles
13 about this whole thing. So the answer is yes, I was aware
14 of that.

15 Q Did you have conversations with
16 Mr. Stephanopoulos about that subject?

17 A I think I recall talking to him, having several
18 conversations with him about the pending Time magazine
19 article.

20 Q And what did Mr. Stephanopoulos tell you about
21 the conversation?

22 A I don't think -- I didn't go into much detail

1 about it. I think as I recall, he may have told me that he
2 talked to Josh Steiner. I didn't know who Josh -- I knew
3 who he was, but I don't think I ever met him, and I don't
4 think he -- I don't recall him characterizing his
5 discussions with Steiner. I think he did tell me he had
6 raised a concern about Jay Stephens, which was in the
7 ordinary course as far as we were concerned. We were all
8 concerned about Stephens.

9 Q At or around the time of these telephone calls of
10 February 25th, do you recall there being discussions in the
11 White House about having Jay Stephens or Jay Stephens's
12 firm fired?

13 A Discussions that I was party to?

14 Q Yes.

15 A No.

16 Q Were you present when such discussions were had?

17 A Not that I recall. My very distinct impression
18 was that his firm had been hired and that they were going
19 forward. I don't even know when the firm had been hired.
20 It was my understanding they had been hired or retained
21 sometime in the past. There were certainly great
22 expressions of concern around the White House by a number

1 of different people. I don't recall any specific
2 discussions about trying to get the firm unretained.

3 Q Do you recall there being discussions that
4 someone ought to find out whether it was a done deal in
5 terms of them being retained or whether it was still in
6 play and something could be done?

7 A It was my impression that nothing could be done,
8 that it was not in play. As I testified before, I'm sure
9 there were people who raised that as a question. I don't
10 remember any specific conversations about it or any
11 details. I would be surprised if there weren't such
12 discussions or at least questions.

13 Q When you wanted to determine what the process was
14 for the hiring of Jay Stephens or Jay Stephens's firm, how
15 did you attempt to find that information out?

16 A As I said, I've testified to that before.

17 Q Do you remember what steps you took?

18 A I think I've testified before, I talked to -- I
19 probably talked to -- I may have talked to Altman although
20 I don't recall a specific discussion with Altman. And I
21 probably talked to either Bernie Nussbaum or other people
22 in the counsel's office who may have had more information

1 on that than I, but it was my very distinct impression from
2 my inquiries that it was no longer in play, to use your
3 phrase, and that his retention or his firm's retention had
4 been consummated and they were going forward with them.

5 Q After Mr. Altman testified on February 24th, do
6 you recall any occasion on which you reviewed his
7 testimony?

8 A I think that I was sent a transcript of his
9 testimony, and I do not think I read the whole thing.

10 Q Do you recall who sent you a transcript of his
11 testimony?

12 A I don't. As I recall, I think Neil Eggleston
13 from the counsel's office had been monitoring the hearing.
14 He may have sent it to me. It may have been the
15 legislative office -- our legislative office, which is
16 headed by Pat Griffin, who also monitors congressional
17 matters that pertain -- if the White House has interest in
18 and they often get transcripts. It may have been sent down
19 as a matter of routine which stuff like that was sent to my
20 office.

21 Q For what purpose was it sent to your office, if
22 you know?

1 A Basically a matter of routine. Griffin knew
2 that -- and people in his office, the legislative office
3 knew that I was particularly involved with
4 Madison/Whitewater matters and as a matter of routine they
5 would send it down to me. I was also deputy chief of
6 staff. They would send a lot of stuff to me.

7 Q When you reviewed the testimony -- did you review
8 any part of the testimony?

9 A I think I reviewed a very small part of it. It's
10 my recollection I had already read press accounts of the
11 pertinent parts of the testimony and it was a fairly
12 lengthy document and given the press of time, I don't think
13 I reviewed it other than maybe looked at the cover page and
14 the first few pages.

15 Q Did you become aware of meetings at the White
16 House that were taking place which related to the accuracy
17 of Mr. Altman's testimony?

18 A I have subsequently become aware of those. At
19 the time -- the answer is I was not aware at the time any
20 such meetings, in fact, occurred, assuming that they did
21 occur, I was not aware of them. I did become aware that
22 Mr. Altman sent two or three or four letters to Senate

1 Banking clarifying certain aspects of his testimony. I
2 received copies of those letters. I was not involved in
3 the drafting of those letters and I don't know who was
4 involved. I assume Treasury people and Altman, but I don't
5 know who beyond that was involved.

6 Q What was the purpose of you receiving copies of
7 those letters, if you know?

8 A Again, I was very involved in Whitewater,
9 although to a much lesser extent during this time period
10 and those things routinely came to my office.

11 Q Did you read them when they came in?

12 A I did.

13 Q Did you discuss them with anyone else as to their
14 accuracy?

15 A I don't think I did. I assumed that they had
16 originated with Altman and Treasury people.

17 Q And these letters were on March 2nd, March 3rd,
18 March 11th, and March 21st or approximately those dates?

19 A Those are your dates.

20 Q Did it surprise you when you received these
21 letters that this expansion of testimony was requiring a
22 letter writing campaign by Mr. Altman?

1 A I wasn't surprised or unsurprised. It's not
2 unusual sometimes for people to review their testimony and
3 make certain clarifications.

4 Q When you read the letters -- when you read the
5 letter of March 2nd, did you read it at or about the time
6 it was sent, if you can recall?

7 A Probably.

8 MR. BENNETT: Don't guess. Don't guess.

9 THE WITNESS: There's always some delay when
10 stuff circulates through the White House system. I don't
11 know when I received that letter. I recall receiving three
12 or four letters. It was my understanding that I received
13 all of the letters that was sent out. They were also
14 fairly widely reported in the news media, as I recall.

15 BY MR. CODINHA:

16 Q Do you recall, when you read the letter of March
17 2nd of 1994, whether you believed it was accurate when you
18 read it?

19 A You'd have to let me look at the letter.

20 Q I didn't mean to hold it from you. I'm looking
21 at page 336 of the hearing before the Committee on Banking,
22 Housing and Urban Affairs, United States Senate, which was

1 held on February 24, 1994 and page 336.

2 (Witness conferred with counsel.)

3 A What's your question?

4 Q My question is when you read that letter which
5 appears on page 336 at or about the time it was sent, did
6 you believe it was accurate?

7 A Well, I don't know what was in his knowledge or
8 not in his knowledge. I had no reason to believe it was
9 not -- as I recall, I had no reason to believe it was not
10 accurate.

11 Q I'd like to turn your attention to page 337, the
12 letter of March 3rd, 1994. I'd like you to read that.

13 A I had no reason to believe that it was incorrect.

14 Q My term actually was whether it was accurate or
15 inaccurate. Did you believe it was accurate?

16 (Witness conferred with counsel.)

17 A I think I've testified before that there was no
18 discussion, as I recall, no discussion of the substance of
19 the civil investigation, and I had no reason to believe
20 that that letter was inaccurate.

21 Q I'd like to show you the letter on page 338 of
22 March 11, 1994. Would you read that.

1 A The March 11th letter?

2 Q The March 11th letter, yes.

3 A I think I've testified -- my testimony is
4 consistent with that letter. I had no reason to believe --
5 I think that letter is accurate.

6 MR. BENNETT: Harold, keep up your voice, please.

7 THE WITNESS: My prior testimony, I think, is
8 consistent with that letter. When we discussed the
9 meeting -- the short meeting that I had, and maybe Maggie
10 Williams, with Altman and I had no reason to believe -- I
11 think that letter is accurate.

12 BY MR. CODINHA:

13 Q And I'd like to ask you about the letter which
14 appears on page 339, the letter of March 21, 1994 and I'd
15 ask you the same question. Do you believe that letter is
16 accurate?

17 MR. BENNETT: When you say "accurate," the
18 essence of the letter?

19 MR. CODINHA: No, the information contained in
20 the letter, is it accurate?

21 MR. BENNETT: Do you want us to go line by line,
22 because there are things which he could not possibly know

1 about.

2 MR. CODINHA: The things that he knows about.

3 MR. BENNETT: Things that he knows about, all
4 right.

5 THE WITNESS: But that doesn't answer the
6 question because my answer would imply that I know about
7 everything in this letter, so if you want a line by line,
8 I'll do a line by line.

9 MR. BENNETT: No, please don't do that. Which
10 letter are we talking about?

11 THE WITNESS: It says here in the March 11, 1994
12 for obvious reasons, I've been reviewing all of my files
13 and other information which possibly could refer to this
14 matter. I have no idea whether he was accurate. I have no
15 idea whether that's accurate or not.

16 BY MR. CODINHA:

17 Q In that same letter, the March 11 letter, he says
18 at neither meeting, which he's referring to the meetings
19 above, did he seek advice nor was it given.

20 Did you think that was accurate, that Mr. Altman
21 neither sought advice nor was given advice?

22 A You're looking at the March 11th letter?

1 Q I just picked March 11th at random, yes.

2 A Which meetings -- let me see what meetings he's
3 referring to. In my view, that was accurate. He didn't
4 seek advice. He informed us. We informed him.

5 Q Did you think he was given advice?

6 A No.

7 Q You don't believe that the White House opining
8 that they didn't believe he needed to recuse himself was
9 giving him advice?

10 A It wasn't giving him advice. It was a matter of
11 opinion, but the critical aspect of that meeting in my view
12 was that it was entirely up to him as to whether or not he
13 was going to recuse himself.

14 Q And in the two previous letters, the letter of
15 March 2nd and the letter of March 3rd, where he says in the
16 letter of March 2 "as I indicated, no nonpublic information
17 was provided at that meeting on any aspect of the Madison
18 Guaranty matter."

19 Did you believe that was accurate?

20 A I had no reason to believe it was not accurate.

21 Q Did you believe that the information that the RTC
22 would not be able to prepare the case to the satisfaction

1 of the general counsel at the RTC before the statute of
2 limitations would run on the Madison case was a matter of
3 public record?

4 A I had no reason to believe that it wasn't. I
5 don't think -- I don't think it was the subject of press
6 accounts, but I had no reason to believe it was a
7 confidential, nonpublic matter.

8 Q Was there any reason you believed that it was
9 public?

10 A No, but that doesn't answer the whole question.

11 MR. BENNETT: When you say "public," do you mean
12 outside of the RTC, if Senator D'Amato had the
13 information?

14 BY MR. CODINHA:

15 Q Mr. Altman is saying in his letter "as I
16 indicated, no nonpublic information was provided at that
17 meeting on any aspect of the Madison Guaranty matter."

18 Now that's what Mr. Altman is saying, it's not
19 what I'm saying.

20 MR. BENNETT: But isn't Mr. Altman in the best
21 position to make that statement. You're sort of asking my
22 client -- go ahead.

1 BY MR. CODINHA:

2 Q I want to know whether you believed that that
3 piece of information, that the RTC's general counsel would
4 not be able to prepare their case, according to Mr. Altman
5 before the statute of limitations had run, was a matter of
6 public record?

7 A Well, I don't know what you mean by "public
8 record." I was not on the impression that this was a
9 confidential, secret piece of information. He had already
10 shared it with us.

11 Q As far as you knew, was that the -- as far as you
12 knew who knew about that, the people at the White House
13 meeting?

14 A I didn't know who knew.

15 MR. BENNETT: I don't think that's fair because
16 it's in the record that point one of the talking points was
17 eight Republican senators wanted a tolling agreement. Why
18 would you want a tolling agreement unless there was some
19 knowledge outside of RTC on these matters?

20 MR. CHERTOFF: Let's not have the argument
21 between counsel. The hour is late.

22 BY MR. CODINHA:

1 Q Let me ask the questions. As far as you knew at
2 the time that the March 2, 1994 letter was written and you
3 reviewed it, and this reflected back on the February 2nd
4 meeting, had Mr. Altman announced publicly that he was not
5 going to be the one who made the decision as to the Madison
6 case?

7 A Could you repeat the question.

8 MR. CODINHA: Would you read the question back.

9 (The reporter read the record as requested.)

10 THE WITNESS: I don't think Mr. Altman -- I don't
11 recall Mr. Altman, until February 25th, I don't recall any
12 statement by Mr. Altman that I knew of that he wasn't going
13 to make a decision in the Madison case. What Mr. Altman
14 said, as I recall, in the February 2nd meeting was that he
15 was going to follow the normal course and that he intended
16 to follow the recommendation of the general counsel with
17 respect to that investigation and any recommendation
18 general counsel might make.

19 I didn't press him on it. I assumed if he
20 thought it was a totally unreasonable recommendation, he
21 might take a look at it but if it was in the normal course,
22 that he intended to follow that recommendation, point one.

1 Point two is -- can I see the letter again?

2 BY MR. CODINHA:

3 Q I think it's on page 336, 337 or 338.

4 A Bear with me a minute.

5 Q And this refers to the March 2nd letter.

6 A The March 2nd letter?

7 Q The March 2nd letter.

8 A As I recall, you specifically asked me whether
9 the information --

10 MR. BENNETT: I don't think we were talking about
11 the March 2nd letter.

12 MR. CHERTOFF: I believe it was March 11th.

13 BY MR. CODINHA:

14 Q No, actually I was asking about March 2nd because
15 the phrase I read was "as I indicated, no nonpublic
16 information was provided at that meeting on any aspect of
17 Madison Guaranty."

18 A Mr. Altman did not say, to the best of my
19 recollection, he never -- he did not say during the course
20 of that meeting, or afterwards, to me certainly and not to
21 anybody in that meeting, that the information that he was
22 providing was confidential or not public or that we could

1 not discuss it with anyone else, so I had no reason to
2 believe that it was not -- I'm trying not to use too many
3 double negatives -- I had no reason to believe that it was
4 not for public consumption.

5 Does that mean we were going to hand it to the
6 public? No, but he did not indicate to me or anyone else
7 in the meeting or me after that meeting that it was a of
8 confidential, nonpublic nature so therefore, I had no
9 reason to believe that this letter was other than accurate.

10 Q I'd like to turn your attention to Exhibit X --

11 MR. BENNETT: Excuse me.

12 (Witness conferred with counsel.)

13 BY MR. CODINHA:

14 Q I'd like to show you exhibit X197 and 198. It's
15 a fax sheet from the Secretary of the Treasury to
16 distribution dated 3/4/94, and it contains Mr. Altman's
17 letter of March 3, 1994. I'd like you to focus on the
18 cover page, the distribution list, and you are listed as
19 one of the people who are on the distribution list.

20 Have you had a chance to review it?

21 A This is the same letter we've been talking about.

22 Q But I want to ask you a question about -- I'm

1 just directing your attention to the front fax cover page.

2 Do you know how the -- strike that.

3 The people who are listed on that page are
4 Dee Dee Myers, Mark Gearan, David Gergen, George
5 Stephanopoulos, Harold Ickes and Mack McLarty?

6 A Yes.

7 Q And do you know how that particular distribution
8 list was developed?

9 A I don't.

10 Q Did you instruct Mr. Altman those are the people
11 who should be contacted?

12 A I don't recall that I did. I'm confident that I
13 did not. I have no recollection of talking to him about
14 that distribution list. In fact, I don't recall ever
15 seeing it until you've shown it to me today.

16 Q Do you recall creating a memo on or around March
17 1st, which was a confidential memo for the First Lady of
18 the United States that dealt with the Resolution Trust
19 Corporation?

20 A I may have. I don't recall the specifics.

21 Q Do you recall -- let me show you X1202. Does
22 that refresh your memory as to whether you created such a

1 memorandum?

2 A It looks as if I may have. I would point out --
3 it looks like a draft to me for the following reasons.
4 Typically, memorandum -- the final memorandum in the White
5 House to members of the White House staff and certainly to
6 the president and first lady typically -- not invariably --
7 but typically they are printed on White House stationery
8 that has "the White House" at the top. And typically, when
9 I send memos, I put my initials, HI, with a circle around
10 it after my last name and this does not have it which leads
11 me to believe that may be a draft. I'm not saying this
12 wasn't sent. It leads me to believe that this was a draft,
13 not a final.

14 Q Does that refresh your memory as to whether at
15 least a draft of such a document was created?

16 A As I sit here today, I don't recall specifically
17 creating a draft, but this certainly appears to be a draft.

18 Q Do you know the purpose, why such a memorandum
19 would be created?

20 A Assuming it was created and assuming it was, in
21 fact, sent to the first lady, I think the purpose was to
22 inform her about what was stated in the body of the memo.

1 Q This memo, as it has been supplied to us, and
2 you're looking at 1202 and 1203, indicates that there have
3 been heavy redactions on this memo, does it not, even on
4 the first page, it appears that there are redacted items?

5 A I don't know how you -- I'll take your word for
6 it. I don't know how you tell that.

7 Q There's a paragraph that appears in the middle of
8 the page and it looks like there's room above it and it
9 looks like there's room below it.

10 A Could be, but it could be a draft that was
11 mistyped.

12 Q And the top of the page has stamped on it -- I'm
13 sorry, not on your copy -- I'll show you X1200 and 1201 --

14 MR. BENNETT: I think in fairness to the witness,
15 though, even though you sort of had a look of disbelief,
16 the one you showed him doesn't have the reference redacted
17 on it whereas the one you've just showed him now does.

18 MR. CODINHA: I agree and that's why I supplied
19 another one to him.

20 BY MR. CODINHA:

21 Q I'd like to show you X1200 and 1201. And at the
22 top of X1200, does that appear to be a redacted version?

1 A It says so at the top.
 2 MR. BENNETT: Let me, in fairness to you, though,
 3 point out that page 2, which you hadn't looked at, of the
 4 one you gave him does say "redacted" on the top.
 5 MR. CODINHA: I'm now going to go to page 2 --
 6 MR. BENNETT: I know, but I didn't --
 7 BY MR. CODINHA:
 8 Q I want you to look now at page 2 --
 9 A Which exhibit?
 10 Q You can look at any of them?
 11 MR. BENNETT: Can we work with the one that says
 12 redacted on both pages.
 13 BY MR. CODINHA:
 14 Q That's X1201 and does that indicate it says
 15 "redacted (25 pages)"?
 16 A It does.
 17 Q Does that indicate to you this is a heavily
 18 redacted document?
 19 MR. BENNETT: It speaks for itself.
 20 BY MR. CODINHA:
 21 Q Do you recall writing 25 pages on the subject of
 22 the Resolution Trust Corporation to the first lady?

1 A I do not and I doubt that I did.
 2 Q When you say you doubt that you did, do you
 3 believe that someone else acting on your instructions wrote
 4 a 25-page memo?
 5 A It's hard for me to tell since you say it's
 6 heavily redacted. There's a blank page, other than the
 7 word "redacted" and the handwritten page, "(25 pages)."
 8 MR. BENNETT: Just so it will avoid confusion,
 9 there could have been attachments or things of that kind.
 10 I think to imply that he wrote a 25-page memo is not
 11 accurate.
 12 THE WITNESS: To further point out, I don't think
 13 there's anything in here in the documents you've shown me
 14 that indicates in one way or the other that I wrote a memo.
 15 BY MR. CODINHA:
 16 Q The only thing I would say -- does it say on
 17 X1200 it is a "memorandum, confidential, to the First Lady
 18 from Harold Ickes dated March 1, 1994 re: the Resolution
 19 Trust Corporation." Have I read that correctly?
 20 MR. BENNETT: His only point --
 21 MR. CODINHA: No.
 22 BY MR. CODINHA:

1 Q Have I read that correctly?

2 A Yes, you've read that, but your reading it
3 doesn't mean anything in the context of which we're
4 discussing it. This memorandum is a transmittal
5 memorandum. X001200 is a transmittal memorandum.

6 Q How can you tell that?

7 A It may not even be a transmittal memorandum.

8 Q First of all, how can you determine from looking
9 at the page that it's a transmittal memorandum?

10 A You're exactly right. I can't. And the only
11 reason I said that is because this was attached to it --

12 Q This being X1201 which is redacted 25 pages?

13 A Yes. And I assume, and probably incorrectly,
14 that this 1201 was attached to 1200. Therefore, I
15 concluded it was a transmittal memorandum and I'm in
16 error. I don't know whether it was or wasn't.

17 Q Thank you, sir.

18 MR. CODINHA: I think at this time I've concluded
19 my inquiry. You may inquire, sir. Let's go off the record
20 for a moment. Do we want to take five minutes because we
21 have to just shift.

22 (Discussion off the record.)

1 (Recess.)

2 EXAMINATION

3 BY MR. CHERTOFF:

4 Q We're going to proceed. Just to remind you, I'm
5 Michael Chertoff. I'm special counsel on the Republican
6 side of this inquiry. Sitting next to me is Joe
7 Braunreuther, who's my deputy special counsel.

8 Mr. Ickes, have you talked to anybody about the
9 contacts with the Treasury issue after March 4th other than
10 your attorney?

11 A I'm sure I have. I couldn't tell you who.

12 MR. BENNETT: Keep your voice up, Harold.

13 BY MR. CHERTOFF:

14 Q Other than with members of the press?

15 A Primarily with members of the press, but I'm sure
16 I've talked to others as well.

17 Q Have you talked to Ms. Williams about it?

18 A I don't recall talking to her at all about the
19 context.

20 Q Have you talked to Mr. Stephanopoulos?

21 A Probably.

22 Q What did you talk to him about?

1 A Just about the process that was actually going
2 forward, how the hearings were going to go forward, if
3 there were going to be hearings, if so, when.

4 Q Did you talk about your recollection of the
5 events that had occurred on February 2nd?

6 A You're talking about conversations with him after
7 March 4th?

8 Q Correct.

9 A I don't recall talking to him after March 4th
10 about that. I think I talked to him after the February 2nd
11 meeting.

12 Q When did you speak to him, after the February 2nd
13 meeting, about the February 2nd meeting?

14 A I don't recall.

15 Q What did you say to him?

16 A I don't recall what I said to him. I probably
17 related to him what had happened.

18 Q Was this before Mr. Altman had testified on
19 February 24th?

20 A I think it was. As I say, I don't recall a
21 specific time or date, but I'm fairly confident it occurred
22 prior to that testimony.

1 Q And what was the context in which you related
2 this thing?

3 A When you say "context," I'm not sure what you
4 mean.

5 Q Was it at a Whitewater response group meeting?

6 A I don't recall. As I said before, I don't recall
7 when or where the conversation took place.

8 Q Do you recall anything that he said to you?

9 A I don't.

10 Q Did you talk to Mr. Nussbaum about the February
11 2nd meeting after March 4th?

12 A After March 4th?

13 Q Correct.

14 MR. BENNETT: What's March 4th?

15 MR. CHERTOFF: March 4th was the day that
16 subpoenas were served or announced by Mr. Fiske.

17 THE WITNESS: I don't recall if I did or not. I
18 don't recall that I did. I may have, but I don't recall
19 that I did. I think any conversation I had with Nussbaum
20 probably occurred prior to the testimony of Mr. Altman
21 before Senate Banking. There wasn't a lot to discuss about
22 it.

1 BY MR. CHERTOFF:

2 Q What about Mr. Eggleston, did you talk a lot
3 about it with Mr. Eggleston about the February 2nd meeting
4 after March 4th?

5 MR. BENNETT: These are -- Counsel, isn't there a
6 privilege on some of this stuff?

7 BY MR. CHERTOFF:

8 Q Was Mr. Eggleston acting as your personal counsel
9 in respect to this inquiry?

10 A As my personal counsel?

11 Q Correct.

12 A He's White House counsel.

13 MR. CHERTOFF: I don't see the privilege. Are
14 you asserting the privilege?

15 MR. BENNETT: We understand the advice of White
16 House counsel or discussions of White House counsel with
17 any of the individuals you're not permitted to go into.
18 You can take that up with White House counsel. I'm not
19 going to debate what is or is not privileged but as a
20 practical matter, I'm going to let him answer at least that
21 last question. I don't want to make more of this than it
22 is.

1 BY MR. CHERTOFF:

2 Q Did you have conversations with Mr. Eggleston
3 after March 4th concerning the February 2nd meeting?

4 A I don't recall that I did. He had participated
5 in the February 2nd meeting. There wasn't a lot to discuss
6 about it.

7 Q Did you receive any requests from Mr. Fiske not
8 to discuss the subject matter of your testimony with other
9 people?

10 A Whatever he sent me, he sent me. I don't recall
11 the specifics of it.

12 Q Do you recall feeling under any obligation or
13 under any injunction -- I don't mean legally -- but under
14 any instruction not to talk about the subject matter of
15 your grand jury testimony with anybody else?

16 A Instruction from whom?

17 Q Mr. Fiske.

18 A Whatever he sent me, he sent me. I don't recall
19 the specifics of what he sent me. If you have a specific
20 document, I'll be glad to look at it.

21 Q Putting aside what he sent you, did you feel
22 yourself restricted in your conversations about the subject

1 matter of your grand jury testimony with anybody else other
2 than your counsel?

3 A If Mr. Fiske instructed me to that effect, then I
4 think I followed those instructions. I don't recall
5 specifically what he instructed. If you have a document,
6 I'll be glad to look at it.

7 Q As you sit here, you don't recall any restriction
8 on your ability to discuss the subject matter of your
9 testimony with anybody else other than your attorneys?

10 A It was my general practice not to discuss --

11 MR. BENNETT: I instructed him not to discuss his
12 grand jury testimony with anybody.

13 BY MR. CHERTOFF:

14 Q Other than your counsel's instruction, you're not
15 aware of any instruction or request from Mr. Fiske on that
16 as you sit here today?

17 A As I sit here today, but it was my general
18 practice not to have discussions about it.

19 (Witness conferred with counsel.)

20 Q Your testimony is in 1993, other than for a very
21 short period of time at the end of January or beginning of
22 February, you were not actually working at the White House;

1 correct?

2 A That's correct.

3 Q Were you in touch with White House personnel
4 advising then informally about matters?

5 A On occasion.

6 Q During the year 1993, did you have any
7 discussions with anybody at the White House concerning the
8 subject of Madison or Whitewater?

9 A Not that I recall. In my view, it was a very
10 complex matter that was very hard to understand and I
11 didn't have time to follow it closely and I don't recall
12 any specific discussions during 1993 about
13 Madison/Whitewater.

14 Q You testified on direct examination regarding
15 when you first learned or heard of the September 29th, 1993
16 meeting between the White House and Treasury.

17 Let me ask you, did you learn about that before
18 Mr. Altman testified on February 24th.

19 MR. BENNETT: I'm sorry, could you go a little
20 slower? You speak very fast, Michael.

21 MR. CHERTOFF: Not compared to Mr. Nussbaum, but
22 let me go slower.

1 MR. BENNETT: I know.

2 BY MR. CHERTOFF:

3 Q Let me direct your attention to when you first
4 learned about the September 29th, 1993 meeting. Did you
5 learn about that meeting first in 1994?

6 A Yes. I've testified when I learned about it and
7 I stand by that testimony.

8 Q Let me ask you because you were a little
9 ambiguous. Did you learn about it before Mr. Altman
10 testified on February 24th?

11 A About the September '93 meeting?

12 Q Yes.

13 A I think there was confusion as to whether it was
14 '92 or '93. It was my recollection it was the '93
15 meeting.

16 Q I'm talking about the September '93 meeting. Did
17 you learn about that meeting having occurred before
18 Mr. Altman testified on February 24th?

19 A I don't specifically recall. I think I learned
20 about it before the late February testimony by Altman, but
21 I don't have a specific recollection.

22 Q Did you learn about the October 14th, 1993

1 meeting before Mr. Altman testified on February 24th?

2 A Same answer. I recall learning about both of
3 those meetings, if not exactly the same time, approximately
4 the same time.

5 Q Were you surprised when you first learned from
6 someone in the White House that there might have been some
7 meetings between Treasury and White House personnel which
8 Mr. Altman had not reported in his February 24th testimony?

9 A I don't know if I was surprised or not. I don't
10 recall being necessarily surprised. I didn't watch -- as I
11 testified, I did not watch those hearings.

12 Q Does that help you to recall that you had heard
13 of the September and October meetings before someone in the
14 White House raised the question of whether it had been
15 accurately reported by Mr. Altman in his testimony?

16 A There was some question about that.

17 MR. BENNETT: In fairness to him, if someone has
18 told you that, I'd like you to refresh his recollection. I
19 mean, you don't have to --

20 MR. CHERTOFF: I'm just trying to ascertain
21 because Mr. Ickes was a little uncertain about when he
22 learned it.

1 BY MR. CHERTOFF:

2 Q You recall there were questions raised at the
3 White House very early March regarding whether Mr. Altman
4 had fully disclosed the number of meetings?

5 A Yes.

6 Q You recall hearing about that?

7 A I recall hearing about it and I recall it being
8 discussed. I couldn't give you time, place or date.

9 Q At the time you heard about it, were you -- were
10 you surprised to hear there had been other meetings, or
11 were you already aware there had been other meetings?

12 A I don't recall.

13 Q Did Beth Nolan participate in the Whitewater
14 response group before the February 2nd, 1994 meeting?

15 A It's my recollection that she did. As I've
16 testified earlier, I don't think that she was a regular
17 participant, but I recall her in some of those earlier
18 meetings.

19 Q In your capacity, after January 1, 1994, as the
20 person who was coordinating this Whitewater response
21 effort, did you have occasion to have conversations with
22 Mr. David Kendall?

1 A During what period of time?

2 Q After January 1, 1994.

3 A I had a number of conversations with Mr. Kendall.

4 Q And you understood Mr. Kendall to be representing
5 the president in his personal capacity; correct?

6 A That was my understanding.

7 Q And did you communicate to Mr. Kendall
8 information that you had learned in the course of meetings
9 with the Whitewater response group?

10 A Yes.

11 Q Did he make requests of you?

12 A Not that I recall, but there was an exchange of
13 information.

14 Q Did he ever attend a meeting of the response
15 group?

16 A No, I don't think that Mr. Kendall did. I don't
17 recall his ever attending it.

18 Q Did you ever attend a meeting with Mr. Kendall at
19 which anybody else -- did you ever have a face-to-face
20 meeting with Mr. Kendall?

21 A Did I?

22 Q Yes.

1 MR. BENNETT: Does this have to do with
2 contacts?
3 MR. CHERTOFF: Yes, after January 1, 1994.
4 MR. BENNETT: About contacts?
5 BY MR. CHERTOFF:
6 Q Let me ask you first, did you ever have a
7 face-to-face meeting? I'm not asking what the subject
8 matter was. I'm asking if you had a meeting face to face.
9 A Did I have a meeting with Mr. Kendall, yes.
10 Q Face to face after January 1?
11 A The answer is yes.
12 Q Was Mr. Nussbaum ever present during a meeting
13 you had with Mr. Kendall after January 1, 1994?
14 A Yes.
15 Q Was Mr. Lindsey ever present at a meeting you had
16 with Mr. Kendall after January 1, 1994?
17 A I don't recall specifically, but I'm pretty sure
18 probably, yes.
19 Q Was Ms. Williams ever present at a meeting that
20 you had with Mr. Kendall after January 1, 1994?
21 A Yes.
22 Q Did the --

1 A But I want to make clear for the record we're not
2 talking about the same meeting. You're using the phrase "a
3 meeting."
4 Q At any meeting.
5 A Okay. Fine.
6 Q Can you estimate during the month of January how
7 many times you would have met with Mr. Kendall in that
8 month?
9 A In the month of January?
10 Q Yes.
11 A I can't give you an accurate estimate. It was a
12 number of times.
13 Q Did you meet with Mr. Kendall in February of
14 1994?
15 A Yes.
16 Q Now, let me direct your attention to your
17 testimony concerning discussions on the issue of Whitewater
18 that you had with Mr. Altman. Did all these discussions
19 occur on the occasions of having meetings with respect to
20 the health care initiative?
21 A Let's go down -- the phrase all of these
22 discussions, I can't deal with that. You'll have to do it

1 discussion by discussion.

2 Q Let me begin with January 1, 1994. During the
3 month of January, do you recall having had a discussion
4 with Mr. Altman concerning the subject of Whitewater?

5 A Not other than what I've testified to before.

6 Q How many times do you recall having discussed the
7 subject of Whitewater with Mr. Altman in January 1994?

8 A I don't have anything to add to my prior
9 testimony.

10 Q Were these discussions that you had in the
11 context of health care meetings, either before meetings or
12 during breaks in the meetings?

13 A When you talk about -- I'm not sure I testified
14 that I had any discussions but to the extent I had
15 discussions, I think they were basically, I think I
16 testified they were hallway discussions.

17 Q Can you recall any opinion or view Mr. Altman
18 expressed to you in January 1994 regarding Whitewater?

19 A Any opinion?

20 Q Yes.

21 A I think that I've testified -- as I've testified
22 before, the meetings I had with him during that period of

1 time, to the best of my recollection, were very short and
2 basically hallway meetings and how do you think things are
3 going-type meetings.

4 Q How did he think things were going?

5 A As I've testified before, no one thought it was
6 going well.

7 Q I'm not asking you what everyone thought. I'm
8 asking you specifically what opinions did Mr. Altman
9 express regarding how things were going?

10 A To the extent he expressed an opinion --

11 MR. BENNETT: Are we talking about the press
12 reaction?

13 MR. CHERTOFF: I'm talking about conversations in
14 January in the hallway with Mr. Altman concerning his view
15 of how things were going, whatever that view may be.

16 BY MR. CHERTOFF:

17 Q What did he say to you?

18 MR. BENNETT: How things were going from what
19 perspective?

20 MR. CHERTOFF: Mr. Bennett, I'm only asking what
21 Mr. Altman said, whatever he said about Whitewater in any
22 way, shape or form.

1 (Witness conferred with counsel.)

2 MR. BENNETT: Just limit your remarks to contacts
3 and go ahead.

4 MR. CHERTOFF: When you're giving the witness
5 that instruction, you're suggesting to the witness that
6 some comments by Mr. Altman concerning Whitewater should
7 not be reported by the witness in January 1994.

8 MR. BENNETT: I'm not saying that at all. What
9 I'm saying is I think you should limit it to communications
10 between officials of the White House and the Department of
11 the Treasury relating to the Whitewater Development
12 Corporation, the Madison Guaranty Savings & Loan.

13 MR. CHERTOFF: Let me be clear for the record,
14 Mr. Bennett. The subject matter is the propriety of those
15 contacts. The critical issue is the state of mind of
16 Mr. Altman and the state of mind of Mr. Ickes, particularly
17 as it bears upon the discussion of February 2.

18 In order to plumb that state of mind, it's
19 important to know what Mr. Altman's state of opinion was
20 concerning the Whitewater matter because that might bear on
21 the issue of recusal, which is, as your client has
22 testified, he discussed in the contact with a Treasury

1 official. I do not believe, therefore, that it is possible
2 to respond to the question that I've posed other than that
3 to convey anything that Mr. Altman said in January of 1994
4 about Whitewater.

5 MR. BENNETT: Can you be specific with your
6 questions, then? Maybe my problem is the form of your
7 questions, because what I don't want is for you to have one
8 thing in mind and for my client to have another thing in
9 mind how things are going.

10 MR. CHERTOFF: I'll rephrase the question.

11 MR. BENNETT: And nobody has asked Mr. Ickes what
12 he thought of the propriety of this anyway, so if that's
13 what we're getting at, why in eight hours don't we ask the
14 question?

15 MR. CHERTOFF: I can only ask the questions that
16 come to mind.

17 MR. BENNETT: You ask the questions that come to
18 mind.

19 BY MR. CHERTOFF:

20 Q I'm directing your attention to January 1994, and
21 I'm directing your attention to hallway discussions you
22 have testified that you had with Mr. Altman. In those

1 discussions, tell us, what did Mr. Altman say concerning
2 the subject of Whitewater or Madison.

3 A To the extent that he said anything, it is my
4 recollection that my discussions with him were how do you
5 think things are going from public/press point of view and
6 to the extent that he responded to those questions, it's my
7 recollection he did not think things were going
8 particularly well.

9 Q Did he express a concern that the degree of
10 attention the White House had to pay to Whitewater was
11 distracting from the need to focus on other types of
12 issues?

13 A I don't recall him saying that specifically, but
14 obviously those of us who are involved in this were
15 concerned about the intensity and the amount of press
16 inquiries, the intensity of press inquiries and we were
17 concerned that this would have an effect on the White House
18 itself and on the president's agenda.

19 Q Did you express that view to Mr. Altman?

20 A Yes, I did.

21 Q Did you have any conversations with Maggie
22 Williams in January 1994 in which she expressed a concern

1 that the amount of attention being paid to Whitewater at
2 the White House was distracting from things the president
3 wanted to do in other areas?

4 MR. BENNETT: I'm going to object to that because
5 that has nothing to do with context and I'm going to
6 instruct him not to answer.

7 BY MR. CHERTOFF:

8 Q Did you express to Ms. Williams the view that the
9 degree of attention being paid to Whitewater and the White
10 House was distracting from other issues that should be
11 pursued by the White House?

12 MR. BENNETT: Same objection.

13 MR. CHERTOFF: Just for the record, again, we're
14 discussing conversations between people who are
15 participating in a contact within a period of less than or
16 approximately a month or less, which goes to the state of
17 mind of the participants.

18 MR. BENNETT: I have no objection to you asking
19 him if he had conversations with Ms. Williams about
20 contacts with the -- if the resolution had been drafted
21 broader, then I think -- but you can't broaden the
22 resolution.

1 MR. CHERTOFF: I'm not broadening the
2 resolution. I want to make clear the theory under which
3 I'm asking the question so if it's necessary to do this
4 again, you've had a fair understanding of what my position
5 is.

6 I'm asking the witness to testify about
7 conversations which directly reflect the state of mind of
8 participants who within a period of one month or less are
9 going to have a discussion with a Treasury official
10 concerning the matter of Whitewater. Since the issue is
11 not merely whether the contacts occurred but the intent of
12 the participants, whether the intent was improper or not,
13 knowing what was in their state of mind within the month
14 preceding the contact is directly relevant and pertinent to
15 the subject matter of the inquiry.

16 Now I'm going to ask --

17 MR. BENNETT: If I understand, and I'm not sure I
18 do, your predicate is you might as well rip up this
19 resolution because there is no question that you can't ask
20 him about any conversation he had with anybody at the White
21 House, but let me ask him.

22 (Witness conferred with counsel.)

1 MR. BENNETT: Go ahead.

2 MR. CHERTOFF: Do you need the question reread?

3 MR. BENNETT: On the state of mind, you thought
4 those people didn't even know what the subject matter was
5 so I don't understand your predicate. Never mind. Go
6 ahead. Just answer the question.

7 MR. CHERTOFF: Read the question.

8 THE WITNESS: She's going to read it back. He
9 talks fast and asks convoluted questions.

10 MR. BENNETT: No comments.

11 (~~The reporter read the record as requested.~~)

12 THE WITNESS: Did I express that?

13 BY MR. CHERTOFF:

14 Q Yes.

15 A I expressed -- I recall talking to Ms. Williams
16 on several occasions and expressing the view that the
17 number of press inquiries and the intensity of the press
18 scrutiny of Madison/Whitewater, one, diverted some
19 attention, but more importantly, I was concerned with, as
20 were others, that they would divert attention from the
21 president's basic agenda.

22 Q What was her response?

1 A I don't recall her specific response. In
2 general, I think that she was in agreement with that view.

3 Q Did you ever become aware of any conversation
4 Ms. Williams had with Mr. Altman concerning the subject of
5 Whitewater?

6 A What period of time?

7 Q In December of 1993 or January of 1994, meaning
8 that's when the discussion took place.

9 A Did I learn about a discussion that she had with
10 Altman?

11 Q Concerning --

12 MR. BENNETT: Other than our preparation of him?

13 BY MR. CHERTOFF:

14 Q Other than from counsel concerning the subject of
15 Whitewater or Madison.

16 A Not that I recall.

17 Q In January 1994, did you learn of a meeting
18 between Secretary Bentsen and George Stephanopoulos
19 regarding the subject of Whitewater?

20 A Did I learn of it in January or did I learn that
21 the meeting occurred in January?

22 Q Did you learn of a January meeting during the

220

1 month of January?

2 A Let me make sure I understand. During the month
3 of January, did I learn of a meeting during January?

4 Q Between Mr. Bentsen and Mr. Stephanopoulos.

5 A The answer is no, and I don't recall knowing
6 about such a meeting until you just described it today.

7 Q Since January 1, 1994, other than conversations
8 with counsel, until today, you've been unaware of any
9 meeting between Secretary Bentsen and Mr. Stephanopoulos
10 concerning the subject of Whitewater?

11 A I've been unaware.

12 Q During your hallway encounters with Mr. Altman in
13 January of 1994, did you ever ask him a question concerning
14 the statute of limitations as it applied to the RTC/Madison
15 investigation?

16 A The one that I've testified about that was the
17 subject of discussion on February 2nd?

18 Q Correct.

19 A I don't recall having any conversations with him
20 about it. Not to say that I didn't, but I don't recall any
21 conversations.

22 Q Prior to the time you became involved as deputy

1 chief of staff at the White House, how long had you known
2 Mr. Altman?

3 A I had known him casually going back to at least
4 the Mondale campaign which was 1984.

5 Q Was your acquaintanceship with him working
6 together on political campaigns?

7 A Yes, and it was very casual.

8 Q After you joined the administration in January,
9 did you form any social relationship or personal
10 relationship with Mr. Altman, apart from your professional
11 work with him as a member of the White House staff?

12 A It was primarily in connection with work. We got
13 to know each other better because we saw each other more in
14 various meetings I've described. I think I've only been to
15 his house once on a social occasion.

16 Q Still directing your attention to January of
17 1994, was one of the duties of the White House Whitewater
18 response group to deal with congressional inquiries that
19 were beginning concerning the subject of Whitewater?

20 A Its primary purpose, as I said before, was to
21 deal with the numerous and intense press inquiries but
22 congressional inquiries as well. I don't recall whether a

1 member of our congressional staff was in those early
2 meetings. I tend to think not, but certainly they had been
3 involved as Whitewater/Madison has developed over the
4 course of months.

5 Q And was there a focus on congressional activity
6 after the middle of January when Senator D'Amato began to
7 appear on the floor and do a countdown regarding the
8 statute of limitations?

9 A There was.

10 Q Did that spur you to have somebody do some
11 research on the issue of statute of limitations?

12 A I recall asking Neil Eggleston to do some
13 research, and I don't recall exactly when I asked him to do
14 it.

15 Q Was that before February 2nd?

16 A Don't remember.

17 Q Was it before you had heard of the statute of
18 limitations presentation by Mr. Altman?

19 A I tend to think not, but I don't recall
20 specifically. I think it was after that.

21 Q But you're not sure one way or the other?

22 A I'm not positive.

1 Q Did you ask him to look at anything in
2 particular?

3 A No. I think I asked him to look at the whole
4 issue of the statute of limitations. It was fairly
5 complex, as far as I was concerned, and I wanted him to
6 take a look at it to give me a briefing on it. I tended to
7 think it happened after the February meeting, but again, I
8 can't be positive about that.

9 Q Did he give you a briefing?

10 MR. BENNETT: I'm going to object. This is
11 beyond. I'm going to instruct him not to answer that. It
12 has nothing to do with contacts between the White House and
13 Treasury, what the White House legal counsel prepares.

14 BY MR. CHERTOFF:

15 Q Now, let me direct your attention to the day or
16 two before February 2nd. Did Mr. Altman call you directly
17 to set up the appointment for the meeting on February 2nd,
18 or was the call transferred from someplace else?

19 A It is my recollection that he called directly.
20 Again, there are two levels that my phone call goes
21 through. It's answered by a secretary in the outer office
22 and if somebody like Roger Altman calls it's transferred to

1 Janice Enright, who makes a decision whether to give it to
2 me. She and I work physically in the office together so
3 she can just ask me do I want to speak to Roger.

4 Q Who is Patricia McHugh?

5 A Patty McHugh is the secretary and still is, but
6 during this time period during February and January of '94,
7 she was the secretary to the chief of staff, McLarty.

8 Q Did you ever have occasion to give her
9 instructions or asked her to carry out assignments for you?

10 A The answer is -- I don't want to be totally
11 qualified about that. The answer is no. I might have
12 asked her to give a message to Mack or something like
13 that. She worked for Mack McLarty. She didn't work for
14 me. Except in an extreme emergency, I wouldn't ask her to
15 do things for me. I had a staff of my own who could do
16 those things.

17 Q Did you ask her to type up appointments for a
18 meeting in which Mr. McLarty would be included?

19 A It's possible, but again, Janice Enright does
20 virtually all of that stuff for me. She knows everybody in
21 the White House. Everybody knows who she is and she is on
22 a first-name basis with everybody and sets up meetings of

1 that kind.

2 Q Before the February 2, the only people you had
3 invited to the meeting were Mr. McLarty and Mr. Nussbaum?

4 MR. BENNETT: He said to the best of his
5 recollection.

6 THE WITNESS: To the best of my recollection.

7 BY MR. CHERTOFF:

8 Q Do you have a recollection that you invited
9 Ms. Williams?

10 A I stand on my prior testimony. I don't recall
11 inviting Ms. Williams. That's not to say that I didn't,
12 but I don't recall that I did.

13 Q Can you think of any reason that you would have
14 invited her?

15 A Not necessarily. I didn't know the subject of
16 the meeting but again, I may have. I may not have. She
17 may have been invited late to the meeting. My recollection
18 is she came late to the meeting.

19 Q Did Mr. Altman suggest that she be invited?

20 A Not to my knowledge -- or not to my recollection.

21 Q After the meeting concluded on February 2nd,
22 until the time that Mr. Altman called you or rather spoke

1 to you and told you he had decided not to recuse himself,
2 did you have any telephone calls with Mr. Altman?

3 A Not that I recall. I mean, I think that meeting
4 occurred --

5 MR. BENNETT: You say "after." You mean on that
6 day?

7 BY MR. CHERTOFF:

8 Q From the time the meeting concluded on February 2
9 up until the time that Mr. Altman appeared before you in
10 person to tell you he was not going to recuse himself, in
11 that intervening period, did you have any telephone contact
12 with Mr. Altman?

13 A About this subject?

14 Q First of all, about any subject.

15 A I don't recall. I mean, I talked to Roger fairly
16 frequently. A lot of it, he's very interested in the
17 health care matter. There's some other matters he talks to
18 me about. I don't recall a specific conversation. I could
19 have.

20 Q Again, focusing you on this intervening period,
21 did you have any conversation with him over the telephone
22 on the subject of Whitewater?

1 A I don't recall it. I recall the next time I
2 talked to Roger Altman about Whitewater was that meeting
3 that I think occurred within a day or so following a
4 meeting on the 2nd. Could I have? It's possible. As I
5 sit here today, I don't recall.

6 Q Are you aware of anybody who had such a
7 conversation, anybody in the White House who had such a
8 conversation with Mr. Altman from the time of the February
9 2nd meeting until the time that Mr. Altman told you of his
10 decision not to recuse himself?

11 A As I sit here today, I'm not aware of any.

12 MR. BENNETT: If you have anything to refresh his
13 recollection, in fairness, we would ask you to show him.

14 MR. CHERTOFF: I'm just asking him what he
15 recalls.

16 THE WITNESS: I don't recall.

17 (Witness conferred with counsel.)

18 BY MR. CHERTOFF:

19 Q What did you do with your notes after the meeting
20 on February 2?

21 A What did I do with them?

22 Q Yes.

1 A I put them in the file.

2 Q Did you have a file designated for Whitewater
3 matters?

4 A I did.

5 Q How was the file titled?

6 A I have various different files.

7 Q Can you describe what the setup was of the file,
8 what the different categories were?

9 A There were a number. They kept growing. This
10 matter kept growing, so it would depend. I have a file on
11 Resolution Trust Corporation. I have a file on different
12 aspects or different subject matters as it relates to --
13 one on D'Amato, for instance. I have different categories,
14 I think, that I'll either want to keep something on. I
15 will just develop a file and I'll keep them alphabetically.

16 Q I'm sorry. Why would you have a file on D'Amato
17 relating to Whitewater?

18 A Because he was talking a lot about it.

19 Q And what would you keep in that file?

20 A I'd have to look.

21 Q You have no recollection?

22 A Press clips and statements that he was making.

1 Q Did you have a file marked "RTC Clinton
2 personal"?

3 A I don't know if that's the exact marking. I do
4 have a file marked RTC.

5 Q Let me show you X91 and ask you if that's a Xerox
6 copy of your file on that.

7 A It's indistinct. I can't tell.

8 Q I'm sorry, you can't -- is it your testimony that
9 you can't read the words "RTC Clinton personal" or that you
10 can read them but you can't tell whether this is a copy of
11 your manila folder?

12 A It looks like "RTC Clinton personal." I recall
13 that my file said "Resolution Trust Corporation," but this
14 may be it.

15 Q What particular things did you put in that file?

16 A I would put things in that pertained to ongoing
17 things about Resolution Trust Corporation. I think my
18 notes of the meeting on February 2 went there. Press clips
19 went in there. There was a lot of news clips in these
20 files, predominantly news clips.

21 Q Did you just have one manila folder for "RTC
22 Clinton personal" or did you have a lot of files regarding

1 press clips on the Whitewater matter?

2 MR. BENNETT: At what point in time are you
3 talking about?

4 BY MR. CHERTOFF:

5 Q We're talking about in the first three months of
6 1994. Did you have more than one folder for your
7 Whitewater material?

8 A Yes.

9 Q And one of those was marked either "Resolution
10 Trust Corporation Clinton personal" or "RTC Clinton
11 personal"?

12 A Yes.

13 Q And how did you distinguish what went into that
14 file from what went into other files?

15 A I just made a judgment.

16 Q What was the basis of your judgment?

17 A I'd have to look at each individual item.

18 Q Did you put other notes in your RTC Clinton
19 personal file?

20 A I did.

21 Q And were they notes that related in particular to
22 the RTC?

1 A Presumably.

2 Q And what was the content of those notes?

3 A I have no idea. I'd have to look that up.

4 Q Did you review those notes before you made a
5 production to Mr. Fiske?

6 A I did.

7 Q Did you review those notes before production was
8 made here?

9 A Yes.

10 Q Was there any mention in any of those notes of
11 the words "statute of limitations"?

12 MR. BENNETT: Well, the documents speak for
13 themselves. Just so you clearly understand, Mr. Ickes did
14 not take responsibility for the production. We gathered
15 all of the materials. The materials were turned over to
16 Mr. Fiske and when the congressional subpoenas came, the
17 White House decided what would be turned over. To our
18 knowledge, you've gotten everything there is to get.

19 MR. CHERTOFF: I'm not asking how the decisions
20 were made to turn the documents over. I'm simply asking
21 whether Mr. Ickes remembers materials in the file.

22 BY MR. CHERTOFF:

1 Q Were there notes in the file in which the words
2 "statute of limitations" appeared?

3 MR. BENNETT: If he remembers.

4 THE WITNESS: The words "statute of
5 limitations"?

6 BY MR. CHERTOFF:

7 Q Right.

8 A I don't recall the words "statute of
9 limitations," other than press clips.

10 MR. BENNETT: Now you've got -- the February 2
11 note does not refer to statute of limitations. It refers
12 to SL.

13 THE WITNESS: It does not refer to statute of
14 limitations.

15 BY MR. CHERTOFF:

16 Q Excluding TS1192 which is your February 2nd
17 notes, excluding that, were there references to the statute
18 of limitations in any of your other notes?

19 A Not that I recall.

20 Q Were there references to recusal in any of your
21 notes?

22 A I don't recall. I'd have to look at the notes.

1 Q Were there references to Mr. Altman in any of
2 your other notes?

3 A I suspect there were. Again, I'd have to look at
4 them.

5 Q And where are all those notes now?

6 A Those notes, to the extent they exist, they are
7 in that file.

8 Q Are they in your custody or in the custody of
9 White House counsel?

10 A They're in my custody.

11 Q Were they returned to you by White House counsel
12 after White House made a review of the notes?

13 A I turned over to White House counsel what they
14 asked for and they were returned to me.

15 Q Let me make sure I understand. Did you turn over
16 to White House counsel all your notes on Whitewater when
17 they requested you to turn over material?

18 A I turned over the notes and information and
19 documents that White House counsel asked for.

20 Q What did they ask for?

21 A I don't recall at this time.

22 May I take a break?

1 MR. CHERTOFF: Sure.

2 (Recess.)

3 MR. BENNETT: I'm a little confused as to what
4 you're asking him. It is my understanding that the White
5 House did not ask him to turn over all of his notes or
6 papers or documents on Whitewater. I think in connection
7 with the inquiries he was asked to turn over anything and
8 everything pertaining to context. I'm not trying --

9 MR. CHERTOFF: What I'm trying to find out is who
10 made the decision? Who made the cut on the scope of the
11 resolution? Was it White House counsel or was it
12 Mr. Ickes? That's what I'm trying to find out.

13 MR. BENNETT: I'll tell you it was White House
14 counsel.

15 MR. CHERTOFF: I don't want to argue with you
16 about it. I want to get the facts out.

17 BY MR. CHERTOFF:

18 Q Did White House counsel request from you all of
19 the notes in your possession that mentioned Whitewater?

20 A I don't know -- I don't recall the scope of what
21 they asked me for.

22 Q Did they ask you to make a selection or to go

1 through your notes and select the documents that you
2 believed were responsive to their request?

3 MR. BENNETT: Wait, wait. What's not fair here
4 is you are asking if Mr. Ickes got requests for inquiries
5 and turned them basically over to counsel and these matters
6 were worked out through counsel. Mr. Ickes didn't go and
7 make the decisions as to what --

8 MR. CHERTOFF: That's what I'm asking.

9 BY MR. CHERTOFF:

10 Q Mr. Ickes, did you turn all your files over to
11 your private counsel and have counsel make a decision about
12 what was responsive?

13 MR. BENNETT: For which requests?

14 MR. CHERTOFF: Let me go back to the beginning.

15 BY MR. CHERTOFF:

16 Q Did you get a subpoena from Mr. Fiske or a
17 request from Fiske?

18 A I got either a subpoena or a request. I don't
19 recall which.

20 Q Did you turn all of your files relating to
21 Whitewater over to your counsel in order to respond to
22 that?

1 MR. BENNETT: He did not do that. We did that.
2 The lawyers did that.

3 BY MR. CHERTOFF:

4 Q Did your counsel -- did you give counsel access
5 to your office so they could come in and go through all of
6 your files in order to make a determination about what was
7 responsive --

8 MR. BENNETT: I'm going to instruct you not to
9 answer that. This is getting --

10 MR. CHERTOFF: Mr. Bennett, is there some reason
11 you can't explain the process as to who made the decision
12 about what was responsive?

13 MR. BENNETT: First of all, I am not a witness
14 here. My client is a witness here, and I've stated to you
15 for the record that my client, Mr. Ickes, did not make the
16 decision or handle the production of documents from either
17 Mr. Fiske or from Congress. Now, that's our position, and
18 you can ask 5000 questions. My client is not in a position
19 to respond to that.

20 BY MR. CHERTOFF:

21 Q Mr. Ickes, do you know who reviewed all of your
22 materials to determine what was responsive to the request

1 from --

2 MR. BENNETT: Don't answer the question. I
3 object to it. It's outside the issue of contacts.

4 MR. CHERTOFF: Is it your position, Mr. Bennett,
5 that we're not free to ask the witness concerning his
6 responsiveness to this committee's own request for
7 documents?

8 MR. BENNETT: I have explained and put on the
9 record exactly how this was handled, and I think you are
10 harassing the witness now because we've made it very clear
11 that Mr. Ickes did not handle the production and all you're
12 doing is harassing him, Michael.

13 BY MR. CHERTOFF:

14 Q Before Mr. Altman's testimony on February 24th,
15 did you instruct or ask Mr. Eggleston to find out what
16 Mr. Altman was going to be testifying to concerning the
17 February 2nd meeting?

18 A Will you repeat the question.

19 Q Directing your attention to the days before
20 February 24th, did you direct or ask Mr. Eggleston to find
21 out what Mr. Altman intended or expected to say at the
22 hearing about the February 2nd meeting?

1 A I don't recall instructing him or asking him
2 anything.

3 MR. BENNETT: Keep your voice up.

4 THE WITNESS: I don't recall instructing him or
5 asking him anything along that line.

6 BY MR. CHERTOFF:

7 Q Were you aware that Mr. Eggleston contacted the
8 Treasury Department concerning the content of Mr. Altman's
9 anticipated answer on the February 2nd meeting for the
10 February 24th testimony?

11 A Anticipate an answer on what issue?

12 Q On the issue of the February 2nd meeting.

13 A What issue relating to the February 2nd meeting?

14 Q Let me rephrase the question. Were you aware
15 that Mr. Altman contacted the Treasury Department to find
16 out what Mr. Altman was expected to say at the hearing
17 concerning the February 2nd meeting?

18 MR. BENNETT: You don't mean Mr. Altman.

19 MR. CHERTOFF: Yes, I do mean Mr. Altman.

20 MR. BENNETT: You said Mr. Altman contacted
21 you -- start over.

22 BY MR. CHERTOFF:

1 Q Were you aware that Mr. Eggleston attempted to
2 find out what Mr. Altman was going to say or expected to
3 say about the February 2nd meeting at the upcoming hearing?

4 A About the February 2nd meeting in general?

5 Q Anything about it. Were you aware Mr. Eggleston
6 made an inquiry?

7 A No.

8 Q Now, when you spoke to Mr. Altman the day before
9 the testimony, and he asked you to consider -- let me
10 withdraw the question.

11 You testified earlier you had a conversation with
12 Mr. Altman the evening before his testimony regarding his
13 position at that point in time on recusal. You testified
14 also that you indicated that you had an initial reaction
15 but you would think about it.

16 Did you get back to Mr. Altman and have a second
17 conversation with him that evening on the subject of
18 recusal?

19 A No.

20 Q Was there a point in time during the afternoon or
21 evening of February 24th -- 23rd, that you were making an
22 effort to get in touch with Mr. Altman?

1 A No.

2 Q Did you have a conversation with Mr. Steiner on
3 February 23rd concerning Mr. Altman?

4 A I did.

5 Q How did that conversation come about?

6 A I called Mr. Steiner.

7 Q Why did you call Mr. Steiner?

8 A Because I didn't want to wait around until
9 Mr. Altman told me he was getting back which I think was an
10 hour, hour and a half, two hours after my initial
11 conversation with him, so within five to 10 minutes after
12 talking with Mr. Altman, I called Mr. Steiner.

13 Q What did you tell Mr. Steiner?

14 A The gist of what I told him was that I related to
15 him, Mr. Altman's and my prior conversation, and I told him
16 that Altman had asked me to get back to him. I told him I
17 did not want to wait that long. I had other things to do.
18 I understood that he was in touch with Altman. He
19 confirmed that he was, and I told him that I had no further
20 thoughts on whether or not Mr. Altman should recuse
21 himself, other than what I talked to Altman about and it
22 was entirely up to him, Altman, whether to recuse himself

1 or not.

2 Q Did you have any further contact with Mr. Altman
3 before he testified on February 24th?

4 A I'm confident I did not.

5 Q As of February 24th, did you know what Mr. Altman
6 was going to say at the hearing concerning the issue of
7 recusal?

8 A I did not. I'm sorry. Say that again.

9 Q As of February 24th, did you know what Mr. Altman
10 was intending to say on February 24th concerning recusal?

11 A No, I did not.

12 Q Would it have surprised you if he had announced
13 his recusal at the hearing?

14 A It wouldn't have surprised me. He obviously was
15 thinking about it, based on my conversation with him of the
16 preceding evening. It was obvious to me he was giving that
17 consideration, so it would not have surprised me.

18 Q Did you tell anybody else, either on the 23rd or
19 the 24th, that it was possible Mr. Altman would make an
20 announcement to recuse himself at the hearing?

21 A I may have. I don't recall any specific
22 discussion.

1 Q In your conversation with Mr. Stephanopoulos and
2 Mr. Altman on the 25th -- let me withdraw the question.

3 Was it Mr. Stephanopoulos who first told you
4 Mr. Altman had recused himself or had announced his recusal
5 to The New York Times?

6 A Yes, I'm pretty sure I heard that from George.

7 Q At the time you had that conversation, did you
8 tell Mr. Stephanopoulos that a couple days earlier, he had
9 raised the possibility he might recuse himself?

10 A I had already told -- it's my best recollection
11 that right after I had my phone conversation with Altman
12 and I think a phone call from Steiner, all of which had
13 occurred in George's office, that I had related my
14 conversation with Altman.

15 Q Do you know whether Mr. Stephanopoulos told the
16 president that Mr. Altman was considering recusing himself?

17 A I don't know whether he did or he did not.

18 Q Is it fair to say, therefore, on the 25th you nor
19 Mr. Stephanopoulos expressed surprise about the fact that
20 Mr. Altman had, in fact, recused himself?

21 A I think quite to the contrary. We had expressed
22 surprise that he had recused himself.

1 Q I'm sorry. Maybe I was unclear in my question.
2 Your testimony is that on the 25th you and
3 Mr. Stephanopoulos expressed surprised that Mr. Altman had
4 recused himself?

5 A Yes, I've testified to that before.

6 Q And that's notwithstanding your conversation with
7 Mr. Stephanopoulos on the 23rd where Mr. Altman indicated
8 he was reconsidering the matter?

9 A Yes, because he had not -- it was my information
10 that he had not recused himself before the Senate Banking
11 Committee and therefore, it came as a complete surprise to
12 both Mr. Stephanopoulos and me that he had decided to
13 recuse himself in his conversation with an employee of The
14 New York Times.

15 Q Before February 25th, had you heard of anybody at
16 the White House making inquiries about how Mr. Stephens
17 came to be hired by the RTC to work on the Madison matter?

18 A Before --

19 Q The 25th?

20 A As I've testified before, I do not recall exactly
21 when I learned that his firm had been retained by the RTC.
22 I tend to think it was after the 25th, but as I sit here

1 today, I don't recall. It could have been shortly before
2 the 25th.

3 Q Did you ever learn that someone in the White
4 House made inquiries to find out how Jay Stephens came to
5 be hired by the RTC to work on Madison?

6 A I don't know if I learned that specifically.
7 Somebody told me -- I think it was somebody in the
8 counsel's office, whether it was Nussbaum or whether it was
9 one of the associate counsels, I can't be sure, and I'm not
10 even sure it was them but I think it was -- told me I was
11 interested in finding out how his firm came to be hired and
12 told me they had been retained under some sort of a
13 modified RFP process. That's what I understood. I didn't
14 follow it or pursue it any further than that.

15 Q Are you aware of whether the president expressed
16 a view concerning Mr. Stephens being hired by the RTC to
17 work on this matter?

18 A He did express a view.

19 Q When did that happen?

20 A Again, it was in that time period. I can't pin
21 it down any more closely than that. As I testified a
22 moment ago, I tend to think it was after the 25th, but I

1 can't guarantee that.

2 Q Was it in your presence he expressed the view?

3 A It was.

4 Q Who else was there?

5 A I don't think anybody else was there. I think he
6 and I were alone. I meet with him during the course of the
7 week on a number of occasions discussing different matters
8 and as I recall, this came up in the midst of a
9 conversation about something else.

10 Q What did you say to him and what did he say to
11 you?

12 A I don't recall the exact words. The gist of it
13 was he expressed grave concern about the fact that
14 Mr. Stephens's firm and we understood they had been
15 retained and we understood Mr. Stephens in particular was
16 going to be working with the RTC on that and I've expressed
17 and I've testified earlier today as to the basis for that
18 concern.

19 Q Now, recognizing you don't recall when the
20 conversation with the president occurred, did you ever
21 mention this conversation with the president to
22 Mr. Stephanopoulos?

1 A I probably did. George and I talk a lot during
2 the course of the day.

3 Q Was it your regular practice to fill each other
4 in on things that had arisen in discussions either of you
5 had with the president?

6 A No. I mean, George meets with the president on
7 many times during the day, many more times than I do. He
8 does not fill me in on everything that he discusses with
9 the president.

10 Q You testified earlier that you had informed the
11 president, and you also testified that you had informed the
12 first lady, concerning the substance of your February 2nd
13 meeting with Mr. Altman and the others.

14 MR. BENNETT: I think he said the gist.

15 THE WITNESS: I testified it was my best
16 recollection that I had.

17 BY MR. CHERTOFF:

18 Q Was that on a single occasion or were they two
19 separate occasions?

20 A I think I testified earlier they were on two
21 separate occasions, that is the conversation with the
22 president and a separate conversation with the first lady.

1 Q Was it your practice to brief the first lady on a
2 regular basis concerning matters that arose regarding
3 Whitewater and the Resolution Trust Corporation?

4 MR. BENNETT: I'm going to object to that and
5 instruct him not to answer that unless you limit it to
6 contacts. I don't think it's any business of this
7 committee what his regular practice is or is not with the
8 president or the first lady.

9 BY MR. CHERTOFF:

10 Q Did you tell Mr. Nussbaum you were going to
11 inform the president and the first lady about the gist of
12 what had occurred at the February 2nd meeting?

13 A I don't recall. I doubt it.

14 Q Do you know whether he was aware of it?

15 A He may have been. I may have told him
16 afterwards. Again, I doubt it.

17 Q Was anybody else present when you informed the
18 president about this?

19 A I don't recall that anybody else was present.

20 Q Was anybody else present when you informed the
21 first lady about this?

22 A I don't recall. As I sit here, I don't recall if

1 anybody else was present. I tend to think not but I don't
2 recall as a fact.

3 Q You understood as of February 25th that
4 Mr. Altman had recused himself --

5 A Had?

6 Q You understood on February 25th that Mr. Altman
7 had recused himself from sitting on the Madison matter at
8 the RTC; correct?

9 A That was -- yes, that was confirmed by
10 Mr. Altman, to both George Stephanopoulos and to me in a
11 telephone conversation.

12 Q Did you have any conversation with the first lady
13 concerning that decision after February 25th?

14 A I probably did. I don't recall either when or
15 where, but I probably did.

16 Q What was the reason you transmitted or you sought
17 to confirm an opinion from an ethics officer of the
18 Treasury Department that Mr. Altman did not have to recuse
19 himself from matters involving Madison Guaranty as of
20 March 1, 1994?

21 MR. BENNETT: I'm not sure that's what it said,
22 is it? I think you're mischaracterizing.

1 BY MR. CHERTOFF:

2 Q Let me read to you the following paragraph -- let
3 me ask you this first. X1200, which you've testified about
4 earlier, is it your testimony that you do not know whether
5 you sent this document?

6 A That's my testimony.

7 Q Do you deny that you prepared this document,
8 meaning just 1200, not what was attached?

9 A Based on what I see there, I think that I did
10 prepare it, but my answer in my prior testimony today is it
11 appears, based on my general practice, that is a draft for
12 the reasons I've already stated, and it's not clear to me
13 that was reduced to final form and actually sent. It may
14 well have been. It may well have been sent in that form.

15 Q In any event, you did prepare the draft?

16 A The answer is yes. It certainly looks as if I
17 did.

18 Q Do you recall seeking -- let me withdraw the
19 question.

20 As of March 1, 1994, you knew that Mr. Altman had
21 already made a decision to recuse himself; correct?

22 A As of when?

1 Q March 1, 1994.

2 A As of March 1, that followed February 25th.

3 Q So you knew he had recused himself; correct?

4 A Yes.

5 Q What was the reason you continued to try to find
6 out whether there was an ethics opinion that had been
7 issued that did not require him to recuse himself?

8 A Well, I'm not sure that's what that document
9 says.

10 Q How did you come to write that paragraph?

11 A Let me try to deal with the first question. Are
12 you withdrawing your first question?

13 Q Answer the first question and then we'll get to
14 the second one.

15 A I'm sorry, would you ask your first question.

16 MR. CHERTOFF: Can I have the first question read
17 back.

18 (The reporter read the record as requested.)

19 THE WITNESS: I had heard that there was such an
20 ethics opinion and I was interested as to whether there was
21 and what it said.

22 BY MR. CHERTOFF:

1 Q After your conversation with the first lady in
2 which you disclosed the gist of your February 2nd meeting,
3 did she direct you to ascertain whether there was any legal
4 opinion regarding the issue of Mr. Altman's need to recuse
5 himself?

6 MR. BENNETT: I'm not going to have him answer
7 those kinds of questions.

8 MR. CHERTOFF: Can I ask the basis for that?

9 MR. BENNETT: What does that have to do with
10 contacts?

11 MR. CHERTOFF: I think it tends to bear on the
12 flow of information that was transmitted from Treasury to
13 the White House.

14 (Witness conferred with counsel.)

15 MR. BENNETT: Go ahead and answer.

16 THE WITNESS: Would you repeat it, please.

17 (The reporter read the record as requested.)

18 THE WITNESS: I don't think so. I don't recall
19 any.

20 BY MR. CHERTOFF:

21 Q After that conversation, did she ask you if you'd
22 do anything with respect to Mr. Altman's decision whether

1 or not to recuse himself?

2 A You're talking about following February 2nd --
3 bear with me -- and before February 25th?

4 Q I'm asking you whether following February 2nd,
5 after you had informed the first lady of the gist of what
6 occurred on February 2nd, whether at that time or any time
7 thereafter, the first lady asked you to do anything with
8 respect to the matter of Mr. Altman's deciding about
9 recusing himself?

10 A Well, following the 25th -- following the meeting
11 on the 2nd, he decided not to recuse himself. I don't
12 recall her giving me any instructions on that, about
13 finding out further information on his decision to recuse
14 or not to recuse.

15 Q Did she comment on it?

16 A I don't recall that she made any comment one way
17 or the other.

18 Q Did she comment at all on the portion of your
19 description concerning the progress of the investigation or
20 when the investigation might be completed?

21 A I don't recall. She may well have. I don't
22 recall anything specific. As I sit here today, I don't

1 recall any specific discussion she had or comments she had
2 on that.

3 Q When you informed the president about the gist of
4 the February 2nd meeting, did he comment on either the
5 question of recusal or the issue of when the investigation
6 would be completed?

7 A My recollection is I informed him of what
8 happened, the gist of what happened during the February 2nd
9 meeting and to follow up a very brief meeting I had with
10 Roger Altman. There was no reason to comment. I don't
11 recall any specific comment by him.

12 Q I'm sorry, did I understand you to say you also
13 informed the president about the follow-up meeting you had
14 with Roger Altman on February 3rd or February 4th?

15 A Yes. I don't recall a specific conversation but
16 undoubtedly, I'm confident that I described or informed him
17 of the fact that Mr. Altman had decided not to recuse
18 himself.

19 Q Did you inform the first lady of that fact?

20 A I don't recall specifically. I'm confident I
21 probably did.

22 MR. BENNETT: I think in fairness, you're

1 implying there was more than one meeting, and he had
2 earlier testified he wasn't sure when he told the president
3 about the second meeting so if it was after the 3rd, he may
4 have referred to both of them.

5 Isn't that what you've testified?

6 THE WITNESS: Yes.

7 MR. CHERTOFF: Thank you for clarifying that,
8 Mr. Bennett.

9 MR. BENNETT: You implied there were two
10 meetings.

11 MR. CHERTOFF: Mr. Bennett, I've implied nothing.

12 MR. BENNETT: I apologize.

13 MR. CHERTOFF: I'm simply asking questions, and
14 I've concluded my questions. Do you have something?

15 MR. CODINHA: I have no further questions, but we
16 would tell you, Mr. Ickes, as we tell all witnesses who
17 testify before this committee, that we suggest that you do
18 not discuss your testimony with anyone else, except your
19 counsel. We are not instructing you not to, but we are
20 suggesting it strongly. The reason for that is every
21 witness will come and testify before us will be asked the
22 question who they've spoken to and it may prove to be

1 embarrassing to you or to other people who have such
2 conversations.

3 I would also suggest that questions may very well
4 be asked to you or to other witnesses at the hearings so we
5 offer that you should, of course, follow your attorney's
6 advice, and he will tell you what you should or shouldn't
7 do.

8 Other than that, thank you very much. Thank you
9 for coming today.

10 (Whereupon, at 7:17 p.m., the deposition was
11 concluded.)

12 -----
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14 HAROLD M. ICKES
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CERTIFICATE OF NOTARY PUBLIC & REPORTER

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I, JULIE BAKER, the officer before whom the foregoing deposition was taken, do hereby certify that the witness whose testimony appears in the foregoing deposition was duly sworn; that the testimony of said witness was taken in shorthand and thereafter reduced to typewriting by me or under my direction; that said deposition is a true record of the testimony given by said witness; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this deposition was taken; and, further, that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.



Notary Public in and for the
District of Columbia

My Commission Expires SEPTEMBER 30, 1997

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September 26, 1994

Ms. Lori Beane
Committee on Banking, Housing & Urban Affairs
U.S. Senate
Dirksen Senate Office Building
Room 534
Washington, D.C. 20510

Re: Deposition Corrections

Dear Ms. Beane:

Enclosed herewith are typed versions of the corrections to the depositions of our clients, Mr. Harold M. Ickes and Mr. John D. Podesta. These reflect the corrections as made and executed by Mr. Ickes on July 26, 1994 and by Mr. Podesta on July 31, 1994.

If there are any questions I can be reached at (202) 371-7699.

Sincerely,



Amy R. Sabrin

Enclosures

CORRECTIONS OF HAROLD M. ICKES
TO HIS DEPOSITION OF 24 JULY 1994 BEFORE
THE U.S. SENATE COMMITTEE ON BANKING, HOUSING
AND URBAN AFFAIRS -- 26 JULY 1994

- Page 49 Line 22 Insert "and me" after "Gearan" and before the period.
- Page 49 Line 22 Delete "myself" following "Meyers,".
- Page 68 Line 19 Delete "but" and insert "and" in lieu thereof.
- Page 78 Line 19 Insert "I don't know when I learned about the criminal referrals and" after "As I said" and before "I didn't".
- Page 84 Line 11 Delete "organizational" and insert "to organizing of" in lieu thereof.
- Page 91 Line 19 Delete "no".
- Page 94 Line 14 Insert "counsel" after "House".
- Page 102 Line 6 Delete "yes"..
- Page 107 Line 9 Insert "useful" between "was" and "to".
- Page 112 Line 11 Delete "in" and insert "of" in lieu thereof.
- Page 120 Line 10-11 Insert "the status of" between "the" and "inquiry".
- Page 122 Line 14 Delete "anything" and insert "the matter" in lieu thereof.

- Page 124 Line 14 Insert "only to" between "probably" and "very".
- Page 127 Line 11 Insert "or Ms. Hanson" after "Mr. Altman".
- Page 150 Line 17 Delete "shortly" and insert "early" in lieu thereof.
- Page 158 Line 1 Delete "my" and insert "me that my" in lieu thereof.
- Page 158 Line 2 Delete "that I".
- Page 159 Line 9 Delete the period.
- Page 158 Line 10 Insert "and" between "Banking" and "he".
- Page 170 Line 10 Delete "general" and insert "White House".
- Page 172 Line 5 Delete "factual" and insert "contractural" in lieu thereof.
- Page 176 Line 9 Insert "later" between "three weeks" and the comma.
- Page 176 Line 11 Delete "there" and insert "the front cover" in lieu thereof.
- Page 188 Line 8 Delete "on" and insert "under" in lieu thereof.
- Page 198 Line 19 Delete "context" and insert "contacts" in lieu thereof.
- Page 203 Line 17 Insert "not" before "As".
- Page 205 Line 20 Delete "before" and substitute "after" in lieu thereof.
- Page 224 Line 2 Delete "physically".

- Page 224 Line 11 Delete "qualified" and insert "unqualified" in lieu thereof.
- Page 234 Line 8 Delete "context" and insert "contacts" in lieu thereof.
- Page 236 Line 2 Insert "document production" after "that".
- Page 242 Line 12 Delete "from" and insert "to" in lieu thereof.
- Page 254 Line 3 Delete "so if" and insert ", and if so," in lieu thereof.
- Page 252 Line 12 Insert "when I discussed the meeting with her or" after "recall".

/s/ Harold M. Ickes

July 26, 1994